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Reciprocal Trade Bill Extension

Strom Thurmond

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Mr. President, I want to commend the Senate Finance Committee for the very fine work of the members in considering and presenting to the Senate this amended version of H. R. 1, the Reciprocal Trade Bill. It is my opinion that this Committee, under its able Chairman, the distinguished Senior Senator from Virginia, has done the nation a tremendous service.

I particularly wish to express my appreciation to the distinguished Senior Senator from Georgia for his successful advocacy in the Committee of the amendments which I presented to the Committee on March 23, on behalf of 16 of my colleagues and myself.

As this bill comes to us from the Finance Committee, it preserves the well-established principles of trade with the nations of the free world. It also establishes some safeguards for the thousands, yes, even millions, of workers in various industries of this country, against reductions of tariff rates which might endanger the American economy.

Opponents of amendments to H. R. 1 have presented their case well. I am not as sure those of us who believed some amendments vital have made absolutely clear the principal point regarding these amendments.

There may be some people who have been convinced that the amendments we suggested to the Committee would mean that all reductions in tariff rates would be ended. That is not correct. The bill as it was reported to this Senate by the Committee, does not in any way prevent the negotiators at the GATT conference in
Geneva, Switzerland, from carrying out their negotiations with the same authority as under the present law.

The accusations which have been made against the people of the textile industry, which has about 90 per cent of its products under negotiation at Geneva, that this industry is opposed to our nation helping to develop world trade is entirely incorrect. The truth is that the industry does not believe it would be fair to place any items being negotiated at Geneva in double jeopardy.

With present authority to reduce the tariff rates on textile items up to 50 per cent at Geneva, the additional authority to make further reduction up to 15 per cent in the next three years, as provided in the bill before amended by the Committee, would actually mean that reductions could total 57½ per cent of present rates. It should be remembered that textile tariff rates were reduced early in the Reciprocal Trade program. The average reduction in tariff rates (ad valorem equivalent) on cotton textile products since the beginning of the Reciprocal Trade Agreements has been 37 per cent.

You have heard cries that we must protect the Japanese textile industry. I agree that it is essential for Japan to have adequate markets outside the home islands for her textile products. I do not agree that her best market is the United States. Japanese products can best be purchased by the nations of Asia and Africa which have similar living standards and similar wage levels to Japan.

Permit me to cite a few statistics. Between 1947 and 1954 United States exports of cotton textile products dropped by more
than 50 per cent. In 1947 we exported 1,478.7 million square yards of cotton goods, but in 1954, we exported only 605 million square yards.

On the other hand, Japan's exports of cotton textiles rose by more than 200 per cent in the same period. In 1947 Japan exported 399.2 million square yards of cotton textiles. Last year her exports amounted to 1296 million square yards. Surely our friends in Japan cannot charge us with having unduly restricted her trade by imposing unjust tariff rates when Japan has multiplied her trade with other countries to such an extent.

Mr. President, the people of South Carolina and of this entire nation are a patriotic people. I know they do not want this Senate to take any action which will endanger relations with our friends overseas or even to injure those members of the family of free nations.

However, we cannot forget the possible situation that could be created in this country by the reckless wiping out of justified regulations on foreign trade. I believe that the strength of the free world depends largely upon the strength of the economy of this nation. If we damage our domestic economy, we also endanger the freedom of many lands. This is true because the United States stands as a bulwark against the insidious tactics of the communists—both at home and abroad.

We must remain economically strong if we are to remain sufficiently strong militarily to maintain our position of world leadership.

I do not believe that we could afford to approve any legislation without proper safeguards against imperiling the steady jobs of any segment of our population as large as the more than
a million employees of the textile industry. These people are working in the plants of 26 States of this nation. Many of them are engaged in defense production. For these reasons, I have steadfastly maintained during the consideration of H.R. 1 that certain amendments were necessary to the bill.

As I stated at the beginning of these remarks, I believe the report of the Finance Committee is an excellent job. I believe it to be a well-considered middle-ground between the extremes of no tariff and complete regulation by quotas.

I hope the bill will be approved by this Senate without further amendment.

The End.