In speech before Southern Garment Manufacturers Association, Senator Thurmond lashes out against present foreign trade and aid programs, 1958 July 21

Strom Thurmond

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Manufacturers have called the SINGER 251 Class "the finest lockstitch machines ever built." Now SINGER offers two new models of these famous machines specifically engineered to meet the problems of drip-dry and wash-n-wear sewing! See them for yourself—and see how their "Controlled-Seaming" action gives you the soft, easy seaming needed to minimize pucker yet provides the strong, neat, well-tailored seams you want!

There's an important story for you in these photos. Manufacturers of wash-n-wear items know that pocket sewing is one of the most troublesome operations of all. Shown at right are two samples of pocket sewing. The material used in both cases was a resin-finished cotton shirting. Standard mercerized 2-cord cotton thread, Size 0000 was used for the top thread. The SINGER 251-6 is suggested for heavier weights of fabric.

SEE THE NEW SINGER 251 CLASS WASH-N-WEAR MODELS AT YOUR SINGER SHOP FOR THE MANUFACTURING TRADE—OR WRITE FOR YOUR FREE TECHNICAL LEAFLET TODAY.

SINGER SEWING MACHINE COMPANY

* A Trademark of The SINGER MANUFACTURING COMPANY
In Speech Before SGMA

Senator Thurmond Lashes Out Against Present Foreign Trade and Aid Programs

MR. CHAIRMAN, Distinguished Guests, and Friends of the Southern Garment Manufacturers Association:

It is good to be here with you to help commemorate your 25th year of noteworthy service to one of the key industries in our national economy.

You are the manufacturers of one of the three essentials of life — food, clothing, and shelter. From the standpoint of employment, your vital industry ranks as one of the largest manufacturing industries in this country. You provide a means of livelihood for more than a million American families. In addition, you are largely responsible for making this the best-clothed nation in the world, providing a variety of apparel ranging from cotton to wool to synthetics and to mixed fabrics.

The garment industry is essential, not only in time of peace, but also, and especially, in time of war. In fact, the Quartermaster General reports that during World War II, the members of your Association produced 65 per cent of all the cotton clothing and 20 per cent of all the woolen clothing required for the Armed Forces.

The old saying that "clothes make the man," contains more truth than some would like to admit; for, clothes, more often than not, mirror the personality inside. Given a million dollars, a tramp will still dress shabbily. On the other hand, a person of colorful personality with inadequate financial means will at least dress himself in neat attire although the clothing he wears may not bear a Bond Street label.

All these facts point to the vital nature of your work and the great responsibility which your industry bears in keeping America strong, both economically and militarily. I might add that you have shouldered this responsibility with a spirit that merits great credit.

Your plants are located throughout the Southeast, Southwest, and Midwest, a territory somewhat more extensive than was bounded by the borders of the Confederacy. Nevertheless, we are proud to claim you all as Southerners and to have you join with us in that common bond which neither the ravages of time nor the reach of great distance can ever erase: A genuine love of our homeland — the South.

Here in the Southland is found the most refreshing atmosphere for industrial operations in the world. Manufacturers have learned that it is more economical to build their plants in areas where people like to work, where raw materials are plentiful, and where markets are expanding almost at revolutionary speed. The mild climate and the adequate sources of power which have been developed in the South are also most advantageous.

It has been estimated that we will have 50 million consumers in the South by 1983, and the 11-State Southeastern area will by then be using one trillion kilowatt hours of electricity per year. Truly, we are witnessing, in the South, an almost explosive growth in industrial development.

This is in marked contrast with the labelling of the South in 1937 by the late President Franklin D. Roosevelt as the "Nation's No. 1 Economic Problem." Were he alive today, Mr. Roosevelt would have to reverse that statement. He would be forced to look not south from Washington, but north, to find the Nation's No. 1 economic problem. The South today is, truly, the land of opportunity.

Since 1937, the South has not only learned much, but it has done much. Significantly, much of the impetus for this growth is coming from within the South. A leading New York banker has noted that the South is relying increasingly less on outside capital for its growth needs. "While banks in the Nation as a whole are decreasing," he pointed out, "the South is organizing more banks."

One of the major characteristics of the South, in this period of great expansion, is its abiding confidence in the future of the free enterprise system. Our State governments are in the forefront in building a climate in which private enterprise can develop with a minimum of interference. We in the South know that new industries generate new jobs, and that the increased buying income in the hands of our people is a foundation for a more prosperous economy than can be built by any socialistic welfare State.

My own State of South Carolina, for example, has recently enacted a new tax law for industries which we believe is one of the most forward-looking pieces of legislation of its kind in any of the 48 states. I invite each of you to study it.

These great changes in the South, with the blossoming of a great economy in which agriculture is being balanced with industry, have been characteristic of the post-war years. The South, once an undeveloped region within the United States, has now come into its own.

During this same post-war period, there has been a great change in the industrial complexion of the entire world, with some results that are less agreeable than those occurring in the South. New industries are being built in foreign lands, many of them with the active help and encouragement of the United States government. Naturally enough, many of these industries are fixing hopeful eyes on the rich and ever-expanding markets in the United States. Some of them are finding a large place in that market, so much so that they are forcing vital segments of the American economy to the wall.

This is particularly true in an industry such as yours, where the cost of labor constitutes a large share of the cost of production. The average American production worker earns...
$2.07 per hour, and we are proud of this high wage standard. For the same
money, however, a French employee
will work 5½ hours, an Italian work­er
6 hours, and a Japanese employee
will put in a 9-hour day.

In other words, we are placing our
domestic industries in peril so that we
can promote near slave labor in for­
eign countries. Not only am I against
slave labor, but I also reject the un­
sound economic theory that a Nation's
economy can be promoted by encour­
aging slave labor.

Another factor which gives a com­
petitive edge to foreign textile manu­
facturers is the differential of approxi­
mately eight cents between the price
they have to pay for cotton and the
higher price our textile manufacturers
have to pay in this country.

We have encouraged these foreign
competitors in two ways.

First, we have recklessly and in­
discriminately shipped money over­
seas in a misguided attempt to build
up the strength of foreign nations. We
have spent $70 billion, or one-fourth
of our national debt, for foreign aid
and "military" programs since World War II. Paying the in­
terest on our huge debt costs the
American taxpayers $7 billion a year
—about one-tenth of the total Federal
budget.

Even if we devoted all of our Na­tion's resources to a great humani­
tarian effort to improve the living
standard of the rest of the world, we
could hardly make a dent in the im­
possible task of abolishing poverty.
In the attempt, we would succeed only
in impoverishing ourselves.

I have often wondered — and I
know that many of you have done the
same — how any thinking person can
arrive at the irrational conclusion that we can increase the strength of
America by pouring the tax money of
this country into an effort to breath
new vigor into overseas economies.
I have searched my mind to try to
understand the rationale for this kind
of thinking. It stems, I believe, from
one central fallacy. The great error in
our trade and aid policy is that we have proceeded on the assumption
that military alliances are built on
economic alliances. Stated another
way, we have assumed that nations
which have progressed economically
because of American help will be
strongly inclined to join us in the
event of war.

The lesson of history does not bear
out this assumption. Military alliances
are made for military purposes, and
each nation uses its military power in
the way it decides is best for its own
self-preservation. In arriving at these
military conclusions, the status of
civilian trade is only one of many
factors which must be taken into ac­
count. Thus we find the various
NATO nations taking varying posi­
tions on the establishment of missile
bases within their borders, depending
on the amount of risk involved. The
Scandinavian countries, being close
to the Soviet Union, have been ex­
tremely reluctant to make missile sites
available, because, in their considered
judgment, the risk outweighs the ad­
vantages. Trade is small considera­tion
in such a decision.

We have assumed otherwise.
Our foreign aiders have poured
millions of dollars into setting up tex­
tile and other industries in foreign
countries without regard to the effect
that low-wage competition can have
on domestic employment. At the same
time, they have given our tax dollars
to foreign countries to enable them to
purchase textile products from our
foreign competitors. In 1957, these
foreign nations used only 7.5 per cent
of the textile procurement funds sup­
plied by the United States to buy our
own products. The bulk of the tex­
tiles, in the amount of $89 million,
was bought from Japan and other
foreign competitors. I am glad to re­
port that we have been able to amend
the 1958 foreign aid bill so that at
least an effort will be made to have
more of our own products purchased
with our aid money.

In our reckless generosity with
global trade-and-aid programs, we have
given millions of dollars in as­
sistance to socialistic countries, to
the so-called "neutralist" nations, and to
countries dominated by Communists,
without the least assurance that this
aid will not be used against us in the
event of war. By a margin of one vote
we were able to strike from the 1938
foreign aid bill a provision which
would have authorized the President
to provide assistance to all Commu­
nist countries except Russia, Red
China, and North Korea. To me, this
proposal was one of the most absurd
that I have ever encountered in the
Senate. No one can convince me that
we can fight Communism by nourish­
ing Communist nations.

The second way in which we have
encouraged foreign competitors of
American industry is through pro­
gressively lowering our tariffs on a
broad scale to make the American
markets more inviting to foreign pro­
ducers. The House of Representa­tives
has recently approved a five-year ex­
tension of the Trade Agreements Act,
giving the President authority to re­
duce tariffs by another 25 per cent
over the next five years.

By establishing competitors for vit­
al segments of American business
overseas, we have weakened our own
industrial mobilization base. We will
be greatly handicapped, in the event
of war, if our domestic industries are
not at full strength.

What is the alternative? As quickly
as I can, let me outline a few of the
basic principles which should guide
us in our economic relations with for­
eign governments. Taken together,
these principles make up a trade poli­
cy that is truly American.

First, as I have indicated, we should
shun every program which attempts
to use trade concessions and gifts to
foreign governments as diplomatic
bargaining tools. The paying of trib­
ute in an attempt to buy protection is
both immoral and ineffective.

Second, while we all wish to foster
world trade, we must adjust our own
tariff rates to provide adequate safe­
guards for our own industries at
home. We should not commit our­
seves to a policy of fixing tariff rates
through the medium of international
agencies, as we did when we proposed
the General Agreement on Tariffs and
Trade. The United States has only one
vote in this 37-member body, but
policies set by a majority vote of the
organization become, for all practical
purposes, morally binding on the
United States government. Our obli­
gation will be even more binding if
we make the error of joining the Or­
ganization for Trade Cooperation.

In attempting to regulate world
trade, GATT adopts such a broad
view of its function that it even takes
cognizance of purely domestic affairs
when, in GATT's opinion, they have a
bearing on world trade. In following
this policy, this international organi­
zation has been openly critical of the
American farm price support pro­
gram, claiming it tends to increase
production and affect world trade.

By modelling our trade policy on
principles laid down by GATT, we are
permitting foreign governments to lay
down the basic framework on which
our trade policy is built.

Every day I gain more respect for
the wisdom of the Framers of our
Constitution. They had no difficulty in
seeing the difference between a
treaty and a trade agreement. Article
I, Section 8, of the Constitution, spe­
cifically delegates to Congress the
power to "regulate commerce with for­
egnern countries." Article II, Section
2, gives to the President the power to
make treaties, with the advice and
consent of the Senate.

The Trade Agreements Act, passed
in 1934, was an emergency act to
stimulate our export trade in a period
of worldwide depressions. It is not con­
sistent with our Constitution. The draughts of our Constitution recog-
nized that the power to regulate tariffs should be held by Congress, since this is the branch of the Federal government which best represents the many different attitudes, interests and shades of opinion prevalent in the 48 States and 435 Congressional Districts.

Therefore, I propose as Point Three of my trade policy the return to Congress of its proper powers to regulate foreign commerce. Since 1951, when the escape clause was inserted in our Trade Agreements Act, the Tariff Commission has found a necessity for the relief of domestic industry in 25 cases. It has also reported to the President five other cases, in which the Commission was evenly divided. Of these 30 cases, the President declined to implement the action of the Tariff Commission in 20 cases and allowed the Commission's action to stand in only 10. Thus, in two-thirds of the cases, the President rejected the plea for relief.

On Monday I introduced an amendment in the Senate to require the President to win the approval of a majority of both houses of Congress before he can deny implementation of Tariff Commission actions, under the "escape clause" provision. I plan to discuss this and other possible amendments to the trade bill when I appear before the Senate Finance Committee on Saturday. Personally, I would like to completely remove the President's authority with respect to Commission findings, but being a realist, I know that it would be impossible to gain approval of this proposal at this session, in view of the recent House action. Another of my amendments would limit the extension of the trade program to two years instead of the five proposed by the President.

The fourth point I will mention, in outlining this broad trade policy, is perhaps the most important of all. We must be prepared to compete with foreign producers for our share of the world market. We cannot reduce our labor costs to compete with foreign producers. We do not want to. We must continue to strive to maintain the American standard of living as the highest in the world.

This, we must realize, poses a stern challenge to American industry. We have been able to maintain high wages, in the past, because greater efficiency in American industry resulted in higher productivity. Now, the productivity gap is narrowing. Foreign competitors are becoming more efficient, whether the efficiency be measured by price per unit produced or by the quality of the product. It is imperative for every producer to make his operation as efficient as he can, in order to maintain a place in the world market. This means that there can be no room for bad management-labor relations, featherbedding, racketeering, or misuse of the privilege held by union leaders of collecting and spending dues from our working people.

The Senate recently took action in this field, by approving and sending to the House the Labor Reform Bill of 1958. The bill is not as effective as it should be, in order to accomplish its intended objectives, but it contains some badly-needed provisions. Since this bill will materially affect your industry and your employees, I shall tell you briefly of its main provisions and its shortcomings.

The bill provides that all labor organizations shall file detailed reports with the Secretary of Labor concerning their internal organization and financial transactions. These reports are to be public information, and the membership of the unions must be furnished copies of them. The sanctions of the Taft-Hartley Act, which denied non-reporting unions access to the National Labor Relations Board, were abandoned, and fines of $10,000 against non-complying unions, along with fines and imprisonment of non-complying union officers, were substituted for the Taft-Hartley sanctions.

Trusteeships, which investigations have proved to be instruments of the worst abuses, have been limited to 18 months duration. During this period, the administration of the trusteeship is subjected to close scrutiny by the Secretary of Labor, through the medium of detailed reports.

The bill provides that all union officers shall be elected by secret ballot, and the terms of officers are limited in duration. Office holding by persons convicted of felonies and the use of union funds to promote an individual candidacy in union elections, are prohibited. Provision is also made for the Secretary of Labor to investigate complaints of misconduct of union elections.

The so-called labor relations consultants, many of whom have been responsible for the most flagrant extortions, are subjected to regulation and reporting.

The bill also undertakes to change certain provisions in the Taft-Hartley Act. One amendment, which I managed to have placed in the bill, would prohibit offending unions from continuing their extortion racket in connection with truck unloading fees. The Communist affidavit required by union officials was retained, and the labor leaders' cry of discrimination has been dealt with by requiring employers to also file the affidavit.

Much of the strength of this bill was added after it was drafted and reported by the Senate Labor Subcommittee. The changes were incorporated both in the full Committee and on the floor of the Senate.

As reported by the full Committee, the bill contained a provision which replaced the Taft-Hartley language, denying a vote to replaced economic strikers, with the broadest type of language. This language would have allowed these replaced strikers to vote five or more years later if the strike were still in progress, even though they were guilty of unlawful practices such as mass picketing and violence. By an amendment we were able to return the status of the law to that existing under the Wagner Act, thereby allowing the NLRB to determine who should and who should not vote in an NLRB election.

The Committee bill, as reported to the Senate, also contained a section which authorized a so-called "pre-hearing" election. This provision, in effect, would have allowed the NLRB to hold a certification election without giving to the parties a hearing to determine whether a question of representation existed. I introduced an amendment to strike this section from the bill, and the amendment carried, over determined opposition.

The bill still retains undesirable features despite the efforts of some of us to delete them. One of these features is a redefinition of the term "supervisor," to include a substantially larger number of employees than is included under the definition as it exists in the Taft-Hartley Act. This provision, I fear, will create endless confusion as to who are employees who should be subjected to compulsory unionism. Another undesirable provision remaining in the bill is the so-called building trades section. While some change in the law may be needed in this respect, the Senate bill's language goes entirely too far.

The no-man's-land between State and Federal authority was dealt with, but, in my opinion, inadequately. The Watkins amendment, which would have allowed the States to assert jurisdiction in any field in which the NLRB declined jurisdiction, was the correct solution, but a majority of the Senate rejected this approach. In lieu thereof, an amendment was adopted which requires the National Labor Relations Board to take jurisdiction in all cases covered by the Taft-Hartley Act. It provides further, that the Board may cede jurisdiction to a State in certain cases, provided

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Sen. Thurmond Lashes Out...

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the State has laws and administrative machinery in this field which are not inconsistent with the Federal law and machinery in the same field.

The bill falls short of meeting the recommendations of the McClellan Select Committee on Labor-Management Relations in several respects. I offered amendments, and vigorously supported others, to overcome these shortcomings, but the opposition prevailed.

For instance, there is no control or regulation of union funds in the bill, as passed. This, in my opinion, is one of the major inadequacies of the bill. As I pointed out in the debate, union funds are used predominately for purposes other than collective bargaining. These fund uses, in many instances, are in direct conflict with the desires of the union members. As an example, I pointed out that labor unions contribute approximately one-third of the budget for the Americans for Democratic Action, whose socialistic programs are inconsistent with the desires of the union members. Unfortunately, the Potter amendment, which would have controlled such ultra-vires donations and expenditures, was defeated by a vote of 51 to 30.

The bill, while providing for the secret ballot election of officers, fails to give union members a direct voice by secret ballot on such important issues as the terms of the collective bargaining agreement, the question of whether or not to strike, and the provisions of their constitution and by-laws, including the amount of dues and initiation fees. The amendments which would have provided these prerogatives were also defeated.

Other badly needed amendments which I supported, but which were defeated, were prohibitions against secondary boycotts and organizational picketing.

In addition to the need for better labor legislation to improve our competitive ability, it is imperative that the government give industry a chance to expand and keep pace with new developments in technology, by maintaining a sound tax policy, by offering opportunities to the small businessman, by refraining from imposing unnecessary and costly regulations, and by staying out of business where private enterprise is willing to do the job, except where government action is vital to the national defense.

There are those who say that we cannot make the grade in competition with foreign producers. They maintain that we must adopt a socialistic form of production, in which the government takes away the earnings of industry, in the form of taxes, and redistributes these earnings for whatever purposes might seem best to the administration in power.

I, for one, am steadfastly opposed to this abandonment of the free enterprise system.

Such a program is not American, and it is not efficient.

I have faith in our ability to maintain our position in the world, and I have faith in our ability to do it in an American way. That is why I have vigorously opposed passage of a number of socialistic schemes designed to place the government further into business and deeper into debt.

We can remain strong, if we will stand fast to the principles which have made us a strong nation. We cannot remain strong, however, by giving away our resources, by destroying our industries through building up foreign competitors, by permitting union corruption and bad labor-management relations, or by weakening our free enterprise system with socialistic legislation.

I believe that we can continue to sell $20 billion worth of American goods abroad each year, and that we can do it without giving our foreign customers the money with which to buy. We can do it by making a better product.

Finally, I believe this fervently—and this is the thought with which I will leave you:

There is no better way in which America can remain the symbol of freedom in our world, than by continuing to serve as the example of how a free economic system can bring prosperity to all of its people. The best way to combat the Communist system is to prove, beyond a doubt, that the free enterprise system offers greater rewards—in domestic tranquility, in economic welfare, and in spiritual satisfaction.

In closing, I want to thank you for this opportunity to address such an outstanding assemblage of Americans, whom I know are devoted and dedicated to the principles of Americanism and our great free enterprise system.

When you are in Washington, please stop by to see me.

Florida Fashion Council Elects New Officers

At the Annual Meeting of the Florida Fashion Council, a program of future expansion was promised by James N. Kahn, of B. S. Kahn & Co., Inc., newly elected president. Mr. Kahn made the statement that the tremendous growth of industry in the Miami area, places the burden on the Council to become the proper spokesman for the industry.

In support of president Kahn, the following officers were elected: Jules Goldberg, of Dorothy Levy; vice-president; Renato Levi, of Daisy's Originals, Inc., vice-president; Murray Marcus, of Miami Casuals, Inc., secretary; and Norman Reinhard, of Palm Island of Miami, treasurer.

The board of directors elected were: Sam Kantor, of Tropix Togs, Inc.; Eli Miller, of King Kole; Alia Schneider, of Alia of Miami, Inc.; Mel Warshaw, of Mel Warshaw, Inc.; Bernhard S. Falk, of Harmony Fashions of Miami, Inc.; Henry Taubes, of Elnita; Henry Jacobson, of Stylecraft, Inc.; Bunny Jacobson, of Bunny's Casuals; Arthur Ross, of Melwine of Miami, and Sam M. Rosen, of Preview Fashions, Inc.

Nat Geller has been appointed the executive director for the Florida Fashion Council by the board of directors, and assumed his new duties on July 1, at which time he moved the offices of the Florida Fashion Council to 2230 N. W. 2nd Avenue, to afford him closer personal supervision of all Council functions. Mr. Geller has been in the Miami area for nineteen years and has worked very closely with many of the major manufacturing associations which has earned him fine experience in both the manufacturing and retail levels of industry.

It was also decided at the board of directors meeting that the installation dinner for the Florida Fashion Council will be held at the Deauville Hotel on the night of September 30, which date is during the Council's market week. It was further decided that the Council will become a member of the Florida State Chamber of Commerce.

Further announcement was made of the appointment of the firm of A. I. Saltzman, advertising and sales promotion agency, to publish the forthcoming fashion magazines for the market weeks and also to handle all advertising in connection therewith for the coming year.

Officers Named for Florida Textile Club

The new president of the Florida Textile Club is William Tenzer, sales representative for Millworth Converting Co. Vice-president is Howard Hefner of Herbert Myer, Inc. Secretary is Artie Einleger of Concord Textiles and Treasurer is Morton Leskowitz of Arthur Bier Co.

Directors named are Harry Haber, Murray Willen, L. Ransom Burts, and Leonard Grossman.