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Florence P. Dwyer

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REPORT TO THE PEOPLE

by CONGRESSWOMAN

FLORENCE P. DWYER



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There are many ways to look at the reciprocal trade program which the House is just about to consider--and all of them are controversial. Which serves to explain, perhaps, why this will be the toughest of President Eisenhower's three "must" programs to get through Congress.

But there's one pretty basic way to approach reciprocal trade, to which, ultimately, most other approaches reduce themselves. This is the question of jobs--jobs for Americans who produce the hundreds of millions of dollars worth of goods we sell to foreign countries every year; jobs for Americans making products for use here which require materials produced or grown abroad; the jobs of the 48,700 Union County employees who work in industries affected by foreign trade; the jobs of the more than half a million New Jersey people working in an even greater variety of industries dependent on foreign trade; the jobs of people abroad where strong economies are the surest defense against Communist subversion; and last, but not least, are the jobs of some American workers which might be jeopardized by increased imports of foreign goods.

All these people, their jobs and their futures are dependent directly and indirectly on the amount and kind and terms of the foreign trade which their governments either promote or discourage. Each government, of course, tries to arrange the terms of its foreign trade in the way most helpful to its own interests. But, with each nation needing to buy from and sell to dozens of other countries, some compromise--mutually agreeable--must be worked out in every case, if job-producing trade is to flourish.

Protective provisions essential

Here in the U. S., trade negotiations are conducted under the authority and within the limits of the Reciprocal Trade Agreements Act, which permits the President to lower tariffs on specific imports when similar advantages are given the U. S. by other countries, and to raise tariffs when necessary to protect American industries and jobs from undue foreign competition or to prevent competition from hurting U. S. industries which are essential to our national security.

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These protective provisions are absolutely essential to the reciprocal trade program--no matter how devoted one may be to the principle of expanded foreign trade--both as a matter of practical politics (because no bill could be passed without adequate safeguards) and as an obligation inherent in our system of government. We pride ourselves on our uniquely successful system, where we have somehow managed to harness together the rule of the majority with the protection of the rights and interests of minorities.

Nobody questions, really, that the best interests of the U. S., and of world peace and security, ultimately, depend largely on continued expansion of world trade. Even in a strictly business sense the U. S. stands to gain, since far more American employers and employees, including those in New Jersey and in Union County, profit from foreign trade than are hurt by foreign competition. Detailed studies by the Department of Commerce of the impact of foreign trade on New Jersey and Union County--which were made at my request because I wanted to be sure I had the facts--prove conclusively that this is so.

Here are some facts from those studies. Nearly 30 percent of the people employed in Union County work for manufactureres with an interest in foreign trade: 218 establishments producing non-electrical machinery, for instance, 84 companies in the chemical and chemical products industry, 17 firms building transportation equipment, 148 manufacturers who fabricate metal products, and 64 electrical machinery producers--in addition to the direct and indirect involvement with foreign trade of those employed in wholesaling and retailing, in communications, transportation, shipping, finance and Government, not to speak of practically all consumers. Consider, too, the new \$250 million project for deepening the Elizabeth channel and developing Elizabeth-Newark pier facilities.

Big U. S. advantage

The very fact that we sell to foreign countries almost twice as much as we buy from them is conclusive and convincing evidence.

Nevertheless, it is equally true--and agreed by all responsible persons--that some industries, textiles, for instance, or dyes and optical instruments in New Jersey may be faced with difficult competition under an increased foreign trade program. Some protection, sufficient at least to prevent the competition from being disastrous, is necessary.

The question, of course, is how much protection? Too much may prevent foreign countries from earning enough dollars with which to buy American products, or it could lead to tightened trade restrictions against us. Too little protection, on the other

hand, might do no good at all.

The House Committee on Ways and Means has worked for weeks to write a bill that would keep these factors in balance. The additional protective amendments they inserted in the Administration bill have been accepted by the Administration and somewhat reluctantly by other supporters of the legislation. The compromise has also won some approval from opponents of the original bill.

Whatever the outcome, my own position must be taken for whatever legislation will bring the greatest benefits and cause the least hardship. By all the positive evidence--the need to strengthen free-world trade relationships, the need to import products we don't have, to keep the 10 percent of American workers who produce for foreign trade at work, and to keep our national economy growing--the Committee version of the Administration program should be supported.

Unacceptable alternatives

The President has indicated some of the alternatives to this program: increased trade barriers among free world countries who have to cooperate in order to survive, and growing economic dependence upon Soviet Russia as a result of closed markets and foreign exchange shortages. Both Russia and China are eager to buy and sell on advantageous economic terms, but they exact a stiff price in the gradual loss of political independence--a price the free world can't afford to pay.

Here at home, we who enjoy the most favored position in foreign trade could only be hurt by a revival of unrestricted protectionism. On the other hand, more jobs for our people and greater security for our country are directly dependent on this legislation. It also offers greater protection than ever before to industries affected by foreign competition.

As sound a compromise as could be made, has been made.