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Announcer: The Week in Congress, recorded on May 11, 1953, and played on WDOV on May 13, 1953.

Mr. Kelly: From Washington, DC, transcribed, United States Senator J. Allen Frear brings to the people of Delaware the nineteenth in a series of brief reports on current congressional affairs. Ladies and gentlemen, Senator Frear.

Senator Frear: Thank you. We are hearing much these days about our so-called reciprocal trade program. This program is the arrangement under which the United States carries on much of its commercial activities with other nations of the world. In essence, it is actually conducted by businessmen, manufacture, and industrialists who make and market various items. There have been, for a long time, two general schools of thought on the question of world trade. One side of the argument suggests that this country should restrict the amount of goods which can be brought into the United States from other countries, either by directly forbidding such shipments, or by requiring that on such items there must be paid a very high tariff or tax before their admission is authorized. Under this latter agreement, trade would quickly diminish. On the other side of this question are those who believe that a reasonably free exchange of goods among the markets of the world will help the economy of all participating nations. It is pointed out by advocates of our reciprocal trade program that no country is completely self-sufficient, and that we require the exchange of many items in order to ensure the availability of certain necessary food items plus valuable minerals and numerous other commodities. A further reason advanced for the continuation of our present reciprocal trade program relates closely to the amount of direct economic aid which we had given, and are continuing to give, to many democratic nations of the world, especially those that are now involved in resisting the advance of communism. In this connection, we are frequently hearing the phrase, “Trade, not aid,” which means, of course, that we should encourage an increased exchange of product between the United States and the block of nations we are now aiding in lieu of carrying on the further extension of our direct financial assistance. On the other hand, an additional argument advanced on behalf of higher tariffs and against reciprocal trade comes from some representatives of both business and labor groups who are concerned, lest items manufactured in foreign countries will compete unfavorably with commodities made here in the United States. This is
certainly a situation that could, if uncontrolled, work to our disadvantage because labor costs in many other nations are lower than our own. In other words, America’s working men and women, because of their ability and skill, and because of our high standard of living, necessarily require, and are paid, greater earnings than many persons employed in other countries of the world. This is a natural outgrowth of our good and successful system of free enterprise. And this connection is worth noting that under our present tariff act, through which the reciprocal trade program operates, safeguards have been established whereby the government can take action if the trade program is damaging some particular industry or trade. These safeguards, perhaps, do not always work to the complete satisfaction of everyone involved, and for that reason, criticism is sometimes heard against them. To bring the whole situation up to date, the President has recently asked for an extension of one year for the reciprocal trade program. This extension would run from June of this year until the corresponding month in 1954. Representatives of the President’s cabinet and others who favor this recommendation are now testifying before a committee in the House of Representatives. It should be pointed out here that legislation is pending which would rather drastically restrict certain imports, notably, petroleum, lead, and zinc, enough, in effect, nullify sections of the trade program. The Senate has not yet considered this matter, but it is expected to do so after the House of Representatives completes action on the matter. Admittedly, there are compelling reasons both for and against reciprocal trade, but by and large, it seems to me, that the respected economics of all countries, which sincerely want to do business with each other for their mutual benefit, will stand to gain more under a program of healthy trade rather than by a system which tends to restrict the flow of goods because of excessive tariffs upon them. The notable exception is, of course, communist countries, which, as far as I am concerned, can be left to whither on the economic vine. They deserve absolutely no benefits of world trade because of their ruthless aggression and opposition to the principles of individual freedom and human justice.

Mr. Kelly: Thank you, Senator Frear. From the nation’s capital, you have heard United States Senator J. Allen Frear in the nineteenth of a series of brief reports to the people of Delaware on current congressional affairs. Senator Frear spoke from the Senate Office Building in Washington, and will be heard again next week at this same time.