

2nd DISTRICT, RHODE ISLAND,
JULY 24, 1954, IN SUPPORT OF H.R. 9430,
AS VITALLY IMPORTANT TO TRAGICALLY AFFECTED TEXTILE AREAS.

In connection with today's debate on a vital legislative proposal dealing with the question of unemployment, the shocking fact must be stressed that there is a dangerous lack of authoritative and unbiased data on the actual unemployment situation. Moreover, a well organized and systematic effort has been waged by the press and radio for months now to induce the average man to misread and misinterpret such facts as are available on the extent and the severity of the unemployment problem.

It is not my purpose today to present an analysis of the over all facts about unemployment. I shall, however, give you a crop of verifiable facts about one vitally important section of our economy about which I have necessarily been obliged to study. I refer to the current status of the textile industry. This is an industry which up until about two years ago employed probably more persons than any other single basic industry.

There may be some doubts about what is happening in other industries, but there can be no question about what is happening in textiles.

And if any member of this body were to seriously and with an open mind study the tragic facts about textiles, he or she would only conclude that adoption of amendments such as are proposed by Representative Forand are absolutely and imperatively necessary and thoroughly justified.

Let me stress this simple fact at the outset of my talk. That it may be possible to hoodwink some people into believing that some industries which now are suffering from unemployment will recover quickly and substantially. That is not the case with textiles. Even if the entire economy should recover, textiles will remain depressed and thousands upon thousands of the workers who depend upon this type of manufacture for their living will still not have jobs.

Let us look at the facts.

H. R. 9430 has been introduced by Representative Aime J. Forand and by almost ninety other members of the House of Representatives.

I advocate passage of H. R. 9430 both as a very necessary prop for our total economy during this period of mounting unemployment and as a long-delayed measure of social justice. In addition, I would like to point out that there would be a very special value to the roughly one million textile workers scattered in some thirty States who have been suffering in varying degrees, depending on the particular branch of the industry, from a steadily contracting demand for the products which their plants manufacture.

It is not appropriate in this statement to attempt to set forth in any detail the whole range of the problems of the textile industry. I shall merely refer to certain aspects of these difficulties which illustrate the need for prompt improvement both of the average amount of unemployment benefits and on increase in the number of weeks which the unemployed worker may be paid these benefits.

For instance: one important branch of the textiles is suffering critically and simultaneously from a contraction in the demand for its products plus the institution of sweeping technological changes which drastically reduce the number of employees needed to produce a given volume of goods.

Let me call the attention of the Congress to the situation in the rayon section of the textile industry.

In Cumberland, Maryland, there is a synthetic fibre plant which when first established probably employed a greater number of men and women in one location than any other mill of its kind in the country. Five years ago, this establishment employed a force of 8,000. Today, after new processes have been installed the plant can produce as much, if not more, than it did five years ago with a work force of 4,000 or half of the number employed before the most recent technical changes were made.

Textile production declined in the second quarter of 1952 to 78% of the first quarter's volume. Manhours of work shrunk almost as much though employment dropped only 12%, since about half the adjustment came through reduction in hours. There was a pick-up at the end of 1952 which touched its height in the first half of 1953, when production reached 90% of the first quarter of 1951. The rise in manhours was only slightly less and employment was at about 93% of the 1951 level. But the recovery faltered and production declined through the last half of 1953 to 80% of the 1951 first quarter. By the end of 1953 employment had dropped more than total manhours; employment was about 4% below the second quarter of 1952 but manhours were about equal. The overall contraction in production,

accompanied by many mill closings, has therefore begun to reflect itself sharply in complete liquidation of textile mill jobs.

Thus the textile industry was operating at a low level at a time when output in other major industries was slowed only by material shortages or other production bottlenecks. In addition, the textile industry had failed to share equally in the growth of consumer demand stemming from the high level of economic prosperity. From 1929 through 1953 our physical national product doubled and the consumer actually enjoyed 70% more in services and goods, but the increase in textile yardage was only about 30%.

While the total number of workers actually employed in the nation rose from 45.8 million in 1929 to 62 million in 1953--an increase of 35%--the number actually employed in the textile industry dropped by 3%, with workers averaging less than 40 hours a week.

As in the 1920's the textile industry was sick while the rest of the economy flourished. Government, management and the public, unfortunately, remained oblivious to the fact that this was a harbinger of more far-reaching economic difficulties.

I am not trying to be an alarmist, but I think I would be shirking my responsibility if I failed to call to the attention of the Members of the House certain basic facts which should give us pause. I have always been confident of the future - but I have always been fearful that we can be so blindly confident that we shall fail to take the necessary steps

to avoid a development which might well grow to the proportions of a catastrophe.

I have some pertinent statistical information which I wish you would consider. These statistics contain much food for serious thought.

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Drop In Manhours Worked Over 28 Percent

Permit me to offer herewith a very recent statistical compilation showing levels of employment and weekly manhours worked in 23 principal textile States. This compilation gives the figures on employment in the industry at about the high point in February 1951 as contrasted with the situation in April 1954. I can say definitely that since April the drop in employment has continued.

According to these data, there has been a reduction of employment in textiles in the United States between February 1951 and April 1954 of 21.2 percent. The drop in average weekly manhours in that same period has been even more severe. The decline in manhours is 28.2 percent.

Although the economic blight which has overtaken textiles is nation-wide, it is painfully clear that certain geographical areas are suffering much worse than others. The fact that the drop in employment and manhours worked in the six New England States has been so severe is no doubt due largely to the fact that so large a proportion of the woolen and worsted mills of the country are located in that region. The woolen and worsted section by and large is the most badly hit portion of the industry and the type of manufacture which has experienced the most prolonged difficulties.

In the New England States employment has dropped 39.7 percent between February 1951 and April 1954, while manhours worked have been cut 44.2 percent.

In the nine most important textile-producing States in the South-East there has been an 8.5 percent drop in employment between February 1951 and April 1954, while the manhours worked have been reduced in the same period 18.3 percent.

The table is herewith reproduced in full:

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- a/ April 1954 figures are not available. Figures shown are for March 1954.
- b/ Data includes states now shown separately.
- c/ Maine and Vermont are not included in manhour data because they are not available.
- d/ Not available.
- e/ Employment and manhour area totals are for those states for which data are available. Maryland and Louisiana, which are included in employment totals are excluded from manhour totals because data are not available.
- f/ Employment and manhour totals are for those states for which such data are available.
- g/ Area totals are for California, the only Far West state which reports such data.

SOURCE: State Departments of Labor and U.S. Bureau of Labor Statistics.

One other statistical table which I believe to be of considerable importance in this connection is one which illustrates the wide variations in the different states in the average contribution rate for unemployment insurance in the textile industry. I have used the latest data available in each case. Whereas in Rhode Island the rate was 2.7 percent, in such competing states as Alabama, Georgia, and South Carolina, average employer contribution rates were respectively 1.02 percent, 1.21 percent, and 1.23 percent in 1952:

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My purpose in presenting this table is to emphasize my point that in an industry which is as competitive as textiles, the need for substantial standardization of taxes collected from all establishments, irrespective of location, should be very evident. Moreover, I feel strongly that the great disparity in amount benefits and duration of benefits between the textile states is socially unsound and economically harmful both locally and nationally.

The Human Aspect

In all of the above materials dealing with broad statistical trends and the basic economic difficulties of this widespread industry, I have not mentioned the human aspect of this problem.

In Rhode Island in the past few months, a well-known institution of learning has made a careful sample study as to what is happening to the men and women who were thrown on the labor market due to the closing of textile mills. The preliminary findings of this survey ~~will~~ will be officially released in the next couple of week, and the facts I summarize here will be borne out by the formal report.

The investigators interviewed 131 individuals who were laid off over a year ago as a result of mill closings.

Of this number only 29 percent have found new jobs. This investigation did not inquire into the type of employment or the rates of pay obtained by this group of workers. But from past experience in similar situations, we can be positive that most, if not all, of these workers are now employed

in less desirable jobs and at a lower scale of wages than they earned when they lost out in their former place of employment.

Eighteen percent of the 131 persons in this group have retired from the labor market and are not looking for work. This does not mean that none of these individuals no longer need jobs; it simply means that they have given up the search for re-employment.

Fifty-two percent of the total are today unemployed after having been laid off for longer than twelve months.

Thirty-six percent of these 131 men and women have not been able to find a paid job of any kind for even one day during this period of over a year. All of the fifty-two percent that are still jobless are actively looking for work and have done everything possible to find jobs during all these long weary months since their plant went out of business.

What these figures mean is that a small proportion of the 52 percent that are today idle have picked up occasional jobs during the past year, but that the bulk of those who are seeking work have not earned a cent from any kind of paid employment since they were first thrown on the labor market more than a year ago.

Duration of Benefits Must Be Increased

Surely the members of Congress must see from these figures, which certainly apply to similar situations in other textile states, that the average duration of employment benefit payments must be increased. Maximum duration of benefits in Rhode Island is 26 weeks. Textile States elsewhere do not even pay for that number of weeks. Therefore, it is painfully

evident that practically all of these 52 percent who lost their jobs have had no income whatever, except possibly from relief for a period of at least six months. Even assuming that some of these families had savings, it is certain that by now these accumulations have been completely exhausted.

How are these people living? Frankly, I don't know. I don't know that there is suffering and deprivation among this group despite their diligent search for work. The community suffers also from the fact that these people have no purchasing power. Moreover, friends and relatives of such individuals must be stinting themselves and possibly even going into debt to share with those who are absolutely without funds.

Results of this Rhode Island survey are in line with an earlier report along the same lines appearing in Business Week for March 6 of this year. I quote from this article:

The picture of what is happening in the textile industry which I have given here is not a pretty one. Indeed, it is an alarming situation and one that, in the view of the workers in the industry, cannot be further ignored.

The Congress will be utterly delinquent in meeting its responsibilities, if it fails to take at least the one important step to aid unemployed workers, which is embodied in legislation being considered here today.

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