

SPEECH OF HONORABLE JOHN E. FOGARTY, M. C., 2ND DISTRICT RHODE ISLAND
AT TESTIMONIAL DINNER FOR HENRY DODD, FORMER DELEGATE FOR BRICKLAYERS'
UNION AT K OF C HALL, BROW STREET, EAST PROVIDENCE, R. I. ON APRIL 12, 1958.

It can be said with honesty and sincerity that Henry Dodd is a successful man. Henry Dodd's success is best demonstrated by the fact that he has won a firm place in the hearts and the minds with those members of his trade with whom he has been associated throughout the years. He has merited and received the respect of employers as well as the affection of his fellow tradesmen. I can't help thinking that a man with the background of Henry Dodd must be given some sleepless nights by the outlook for those mechanics who have depended upon him for leadership.

Because of a recognition by the sovereign authority of our country of the rightful status of all employees, we have been permitted to see working men and their families grow proud of the position they occupy in our nation's economy. However, present days fill all of us with misgiving. That pride, to many, is proving groundless; and the confidence we all felt in the fact that we were making substantial contributions to our country's welfare is now proving false as we see the number of unemployed growing larger by the hour - and our much vaunted prosperous economy grinding to a halt.

These things need not be. This depression in which we find ourselves mired can be brought to a halt and a rapid recovery gotten under way only if the leaders of our national administration will abandon their outworn cliches (klishays) and recognize the fact that everybody must put his shoulder to the wheel and get done the things which must be done if business and employment are to see the upturn for which most of us strive desperately.

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It is a paradox that this country goes to great extremes to assist foreign governments and foreign industries to finance unsteady business enterprises and to start new industries all around the world - wherever our dollars will be accepted; yet, with offhand, tongue-in-cheek, pomposity, those same special pleaders for foreign aid will cry loudly that we must not be hasty in assisting a domestic industry - we must not be driven into rash moves to boost employment - we must not run the risk of piling up additional debt by cutting taxes for individuals - or increasing Social Security benefits.

I believe in foreign aid - I like rather to refer to it as Mutual Assistance because it is just that in fact. However, at the risk of appearing to be selfish where my own are concerned, I believe in a little Mutual Assistance right here in these United States. I will further hazard the opinion that we can get more unanimity in support of a foreign aid program if our own people are well and happy and proud and confident of their children's economic future.

I have gone to some length in arguing for support of the administration's foreign aid program and I shall continue to do so because I think it is only enlightened self-interest to promote this program. In addition, I shall continue to give my support to the Administration wherever it acts to promote the well-being of all Americans. I have to admit, that I am at serious odds with the administration in some phases of its attitude toward the present economic situation. I shall continue to attack the Administration in these areas where I believe it is grossly in error.

Witness for one example the President's wholly unrealistic proposal for so called extension of unemployment insurance benefits. The proposal would help only those states which are well able to help themselves and would inflict a serious penalty on those states with substantial unemployment and sadly depleted unemployment insurance reserves, such as Rhode Island, Massachusetts, Michigan and many other states.

Much is said and printed on the subject of federal-aid-to-education. Such aid can easily be defended - but look at the inconsistency in the administration's programs. On the one hand - where aid-to-schools are concerned, we are advised to consider ourselves as members of one great society of Americans - all should help our less fortunate fellow citizens. So, states which have taxed themselves until it hurts to build schools must, and do, contribute substantial sums in federal taxes in order to aid poorer states in the construction and maintenance of public schools. But - when unemployment reaches a crisis in those industrial states which have contributed so much to build schools in states labeled poor, they are told their employers must pay more in taxes, or their state governors must promise to pay back to the federal government the aid it would LOAN - loan, mind you, not grant - in order to provide a few more weeks of unemployment payments - payments which are already substandard. In this area of crisis, brought about by the administration's ridiculous economic policies, there is no recognition of a Federal responsibility to the states which suffer most.

Because they have shouldered so much of the federal burden in the past, they must shoulder more. For that I will not stand still. When

the Congress reconvenes I shall insist that the President's proposal be abandoned and the Congress enact a realistic program of assistance to the states' unemployment insurance funds.

In addition I think the present session of Congress should increase the Social Security benefits now available to the aged - so as to bring them more nearly into line with the present cost of living. Only thus can there be realism in our regard for our elder citizens. To maintain the existing low level of benefit payments is to follow the administration's head-in-the-sand attitude which accomplishes nothing but contributes substantially to a mental depression which feeds upon economic depression and in time will destroy initiative and even self-respect.

The present session of Congress has from ninety to one hundred and twenty days left before it reaches final adjournment. How pleasant it would be if during these remaining months we could forget the selfishness which so often makes itself manifest in purely partisan politics - and think, for just this little while, of what is best for all the people of our country. Even a casual reading of the daily press demonstrates the panic that characterizes office-seekers within the Republican Party. They can do nothing but find fault - with the Democratic Party because it seeks positive action in many fields - with their own party because it offers them no leadership and suggests no solution to their mounting difficulties. I suggest that the President could inspire the members of his own party with faith in this country by abandoning his palace guard, charting a bold-course and leading his party with

boldness and intelligence. If he will do this, for the sake of all Americans, I can promise him most Democrats on Capitol Hill will sound his praises and wish him well.

About two weeks ago, the President announced that he was going to propose to Congress that the Federal government provide for additional weeks of unemployment benefits for workers who exhausted their State unemployment compensation. But then he apparently had some second thoughts, or his advisors did, and began to think about the possibility of getting the cost of this off the Federal government and putting it on the backs of the states. A plan was cooked up and with a good deal of fanfare, the President called in the Executive Committee of the Governors Conference to try to sell this plan to them. It was so complicated that after two hours of conferring, some of the Governors came out saying that the plan provided for grants to the States and other Governors said the plan provided for loans to the States.

The plan, as I have been able to piece it together from newspaper accounts, is that the Federal government would loan money to the Governors, if any, that asked for it, to pay additional weeks of unemployment benefits to the workers in their States. In taking such money, a Governor would either obligate his State to repay these loans, or Federal unemployment taxes would be increased for employers in that State until the loan was repaid.

As the Washington Post says, this plan is practically worthless. In the first place, it is very doubtful that any Governor would want

to come into the plan. He could not obligate his State to repay the loan without special action of his State legislature. And if he did not take this course, he would obligate the employers in his State to pay additional Federal taxes. It is extremely doubtful that a Governor would take the latter course, since he would have every employer in his State opposed to such action. Even if he braved his employers opposition and paid out these benefits, the employers in his State would challenge, and I think successfully, the constitutionality of the Federal government levying taxes on employers in one State and not in another.

It makes me wonder whether those of the President's advisors who concocted this scheme were really interested in getting additional money to unemployed workers or were opposed to paying additional benefits and devised this scheme with the hope that nothing would happen under it. For there is very little, if any, incentive for a State to come under the scheme. The States that could afford these benefits already have adequate unemployment reserves in their States to pay these benefits without any Federal assistance, but have taken no action. The States like my own who need Federal assistance to meet the needs of their unemployed, already are taxing their employers to the limit for regular unemployment compensation and could not afford the additional burden that this plan would entail.

In addition, the benefits that are proposed under the scheme are completely inadequate. An unemployed worker would only get one week of benefits under the scheme for each two weeks he had received State benefits, up to a maximum of 13 weeks. Thus, if a worker had qualified

for only ten weeks of benefits under his State law, he would only get five more, or a total of fifteen weeks. On the other hand, the President has been saying for four years that the States should treat all unemployed workers alike and provide a minimum of twenty-six weeks of benefits for every unemployed worker who qualified for any benefits under the State law.

In the bill that I introduced on March 10th (H. R. 11254) a worker who exhausted his State benefits would continue to draw emergency benefits up to a total of forty weeks if he remained unemployed that long. This would be fourteen weeks more than the twenty-six weeks that the President has said the States should pay in good times. Large numbers of workers are exhausting their unemployment compensation even in States that pay the twenty-six weeks the President has recommended that they pay.

In a time of high unemployment such as we now have, even forty weeks of benefits will not be long enough for many unemployed workers. Also, the President's scheme would continue the same inadequate weekly benefit amounts that are payable under State laws. The President has been recommending ever since he took office that the great majority of workers should get State benefits equal to one-half their regular weekly earnings. Not a single state has so far met this recommendation. Instead, on the average, unemployed workers get only about one third of the average wages paid in their State because the maximum benefit amount is so low.

Under the President's scheme, workers would get no more than the inadequate benefits they had previously received. Under my bill, however, every unemployed worker, whether still receiving State benefits or extended Federal benefits would get benefits equal to the amount that the President has recommended that the States pay - namely, one-half their former earnings, or weekly wages, up to a reasonable maximum.

The President's plan is deceptive, unrealistic, and completely inadequate. I hope that this House will vote out a genuine plan that will pay additional Federal benefits wherever State benefits are inadequate.