STATEMENT OF SEPARATE VIEWS OF SENATOR HERBERT H. LEHMAN FROM THE SUBCOMMITTEE ON UNEMPLOYMENT OF THE LABOR AND PUBLIC WELFARE COMMITTEE

Without taking detailed issue with the views of the Subcommittee Chairman, I cannot subscribe to them as a whole. With some of these views, I am in substantial agreement. I feel, however, that certain separate observations are called for on the basis of the interesting and useful evidence that was submitted to our Subcommittee in the course of the hearings. Indeed, the Chairman of our Subcommittee is to be commended for the leadership he has shown in attacking the urgent problem of unemployment. His conduct of the hearings was characterised throughout by an indefatigable industry and intense concern for the human problems involved.

I do not believe that the subject was exhausted by our inquiry. In fact, we only scratched the surface. The unemployment situation in a number of spot areas of the country is serious and furnishes adequate ground for national concern. In some few States such as West Virginia and Pennsylvania, unemployment is widespread and merits being called a general condition. In other parts of the country, such as New York, the unemployment is more of a local phenomenon, but so critical in the localities in which it does exist, that local officials, and even State officials, sometimes are helpless to cope with it adequately.

In general, the unemployment condition would appear largely associated with particular industries, such as coal, and with particular phases of other industries, such as glassware, pottery, textiles, etc.

Our Subcommittee was unable, with the time and resources available to it, to make a fundamental study of the root causes of the situation which we were to investigate. There are root causes. They merit our closest attention and the fullest inquiry. Unemployment, side by side with relative prosperity, is a disturbing phenomenon. It should command our earnest attention. It is of legitimate national concern.

Evidence presented to the Subcommittee reflects the weakening of the dynamic factor in our entire economy. There have been spurts and advances in
selected industries. But the strong and expanding thrust of the economy as a whole against the limits of capacity, and the surging trend toward expansion of capacity and employment are much less evident today than they were in the 1949-53 period.

The reasons for the diminution of this dynamic factor were not developed in our hearings, nor in our inquiry as a whole. But these root reasons need to be carefully studied and analyzed. The decrease of the dynamic growth factor accounts in large measure for the crisis reaction in areas and industries in which unemployment has developed.

A number of the industries which were studied are, indeed, afflicted with special problems... problems which need to be met by concerted efforts on the part of both government and management.

The coal industry, to which a major share of the Subcommittee's attention was devoted, is an ailing industry. Other industries in which unemployment is found show marked signs of weakness. The weaknesses do not arise from any single source or factor, but from a variety of sources and factors.

The Subcommittee heard voluminous testimony concerning the effect of imports and tariffs on these and other industries, and on the unemployment existing in these industries. There is no doubt that imports do have some relationship with the decrease in demand for the products of the industries in question. Coal consumption has certainly declined, to the extent of 119.7 million tons in the 1947-53 period. Total imports of residual fuel oil amounted to the equivalent of 33 million tons of coal in 1953 alone. But the one was not, by any means, shown to be the result of the other.

There has been a change in the coal consumption pattern, brought about by technological developments. Railroad trains have been dieselized,
resulting in a decreased coal consumption of 81.6 million tons over the 1947-1953 period by the railroads alone. The heating units of hundreds of thousands of private dwellings have been converted from coal to oil. Restricting the imports of residual oil would probably not materially change this consumption pattern. It would not significantly stem the technological tide. Import restrictions on residual oil might be justified on other grounds — that is a legislative question which was not really before our Subcommittee — but no finally convincing evidence was presented that the imposition of import restrictions on residual oil would eliminate, on a permanent basis, the unemployment in the coal industry.

In other industries, such as textiles, the situation is less clear. However, there was testimony by representatives of the Textile Workers' Union that many other factors, in addition to imports, are adversely affecting that industry.

In some few industries there is apparently valid evidence that imports are a principal factor in unemployment. One such instance is the household china tableware industry, concentrated in New York and West Virginia. In this case, large-scale imports from Japan have very significantly hurt the American industry in question and apparently have caused unemployment.

In this, as in other instances, however, the evidence presented was insufficient to form a basis for a legislative recommendation. Indeed, this whole subject needs more exploration, and the gathering of many more facts than are now available.

It is astounding how little hard, factual material is available on the effects of imports on unemployment. Sweeping assertions are made, and figures are cited, but on examination, these assertions and figures turn out to
be, for the most part, hazards and estimates.

The statistical and fact-gathering branches of the Government, such as the Tariff Commission, have been seriously remiss, in my opinion, in failing to make comprehensive studies on this aspect of the matter. And Congress has been remiss in failing to direct such studies and to appropriate funds therefor. Many studies of the general subject of tariffs have been made, but none of them, apparently, have included accurate and detailed statistics on the specific effect of specific imports on employment in specific industries; nor on the relationship of specific tariff levels to such employment.

Nor can the question of the impact of imports on employment be considered by itself; it, too, must be considered in the light of our entire national interest: our foreign policy, and the entire national economic policy, trade and otherwise.

Thus, the national interest may call for trade measures which adversely affect employment in certain industries, or parts of industries. In such cases, the national interest should certainly call, at the same time, for measures directly to assist the unemployed in such industries or parts of industries, and the industries themselves. The national interest is superior to local, special interests. But if the national interest requires the sacrifice of a local special interest, the local special interest has a claim upon the nation for such special assistance as may be necessary to adjust and compensate for the harm that has been done. The man or woman thrown out of a job, or the factory made idle or partially idle to satisfy the national interest, will not be satisfied by the mere apology that the national interest required it. Something much more concrete is called for in such cases. There is legislation pending before the Congress calling for such adjustment measures. This legislation should be speedily considered by the appropriate committees and reported out for action by the Congress.
Specific industries where critical unemployment exists, require careful and solicitous study by the Government. The overall effect of technological change — the startling development called automation — and the effect of shifts in demand and in consumption habits, need to be studied. The effect of new materials, such as plastics, and the whole subject of keeping up to date with current taste, requires much more attention than it has received. Government can and must make facilities available, especially to small business, to keep abreast of the times and thus to prevent unemployment.

Finally, the subject of plant migration from one part of the country to the other calls for our study and consideration... not as a matter of contention between one region and another, but as a matter of national concern for the state of our economy, for the outcropping of unemployment, and for the welfare of the country as a whole.