

TESTIMONY BEFORE THE HOUSE WAYS AND MEANS
SUBCOMMITTEE ON PUBLIC ASSISTANCE AND
UNEMPLOYMENT COMPENSATION
BY THE HONORABLE LES AU COIN
DECEMBER 8, 1982

MR. CHAIRMAN, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOUR COMMITTEE AND TO URGE THE ADOPTION OF H.R. 7327, WHICH WILL EXTEND SPECIAL UNEMPLOYMENT BENEFITS TO JOBLESS AMERICANS WHO HAVE EXHAUSTED ALL OTHER STATE AND FEDERAL JOBLESS BENEFITS.

WHEN YOU INTRODUCED THIS MEASURE LAST WEEK (DEC. 1), MR. CHAIRMAN, THE NATIONAL UNEMPLOYMENT RATE FOR OCTOBER STOOD AT 10.4 PERCENT, WITH 11 MILLION AMERICANS OUT OF WORK. YOU WARNED AT THAT TIME THAT THE FIGURES FOR NOVEMBER WOULD BE EVEN HIGHER. TWO DAYS LATER, THE LABOR DEPARTMENT CONFIRMED YOUR FORECAST, REPORTING THAT 1 MILLION MORE AMERICANS HAD LOST THEIR JOBS, BOOSTING THE NATION'S UNEMPLOYMENT RATE TO 10.8 PERCENT, ANOTHER POST-WAR HIGH.

YOU SAID SOMETHING ELSE ON DECEMBER 1, MR. CHAIRMAN, WHICH I WANT TO REPEAT FOR THE RECORD TODAY. YOU SAID, AND I QUOTE, THAT "AREAS OF THIS COUNTRY ARE EXPERIENCING WHAT CAN ONLY BE DESCRIBED AS A DEPRESSION AND NO ONE CAN PREDICT WHEN THE ECONOMY WILL BEGIN TO RECOVER."

YOUR WORDS ACCURATELY DESCRIBE ECONOMIC CONDITIONS IN MY STATE, OREGON. THE UNEMPLOYMENT RATE IN OREGON FOR OCTOBER, THE LATEST FIGURE AVAILABLE, IS 11.5 PERCENT (SEASONALLY ADJUSTED); 140,000 OREGONIANS ARE OUT OF WORK. THE 11.5 PERCENT FIGURE EQUALS THE 1982 HIGH SET BACK IN MARCH. SINCE SEASONAL UNEMPLOYMENT TYPICALLY PEAKS IN THE WINTER MONTHS IN OREGON, MR. CHAIRMAN, THE OCTOBER FIGURES ARE PARTICULARLY DISTURBING, BECAUSE THEY PORTEND EVEN HIGHER RATES IN NOVEMBER, DECEMBER, JANUARY AND FEBRUARY.

MORE OMINOUS IS THAT DESPITE AN UPTURN IN HOUSING DEMAND THIS FALL -- AND HOUSING IS THE ENGINE THAT POWERS THE TIMBER-BASED ECONOMY OF MY STATE -- ALL SIGNS OF REAL ECONOMIC STRENGTH WERE MISSING IN THE OCTOBER FIGURES. FOR INSTANCE:

- LUMBER AND WOOD PRODUCTS EMPLOYMENT IS AT ITS LOWEST OCTOBER LEVEL SINCE DATA WAS FIRST RECORDED 35 YEARS AGO;
- JOBS IN MANUFACTURING FELL BY 5,600 IN OCTOBER;
- AMONG MANUFACTURERS OF DURABLE GOODS, SIGNIFICANT EMPLOYMENT DECLINES WERE REPORTED, ESPECIALLY IN THE METALS AND MACHINERY INDUSTRIES, WHERE 1,200 FEWER JOBS WERE COUNTED;
- CONSTRUCTION WORK SHOWED A SHARP AND STRONGER THAN EXPECTED DROP OVER THE MONTH -- THE LOSS OF 2,600 JOBS -- WITH LOSSES REPORTED IN ALL MAJOR SEGMENTS OF THE CONSTRUCTION INDUSTRY. ASSUMING NORMAL SEASONAL CONDITIONS, JUST 700 WORKERS WOULD NORMALLY HAVE BEEN LAID OFF IN OCTOBER.

MR. CHAIRMAN, THE MOST FREQUENTLY ASKED QUESTION IN OREGON IS, "WHEN IS ECONOMIC RECOVERY GOING TO START?" FROM THE FIGURES I HAVE JUST CITED, THE CANDID ANSWER IS, "NOT SOON." WITH WINTER APPROACHING, ANY CHANCE FOR ECONOMIC IMPROVEMENT IN THE NEAR FUTURE IS BLEAK IN A STATE WHOSE ECONOMIC HEALTH IS STILL LARGELY DEPENDENT ON THE PRODUCTION OF LUMBER AND WOOD PRODUCTS, CONSTRUCTION, AGRICULTURE AND TOURISM. THE EARLIEST THAT PEOPLE IN MY STATE WHO ARE DESPERATE FOR JOBS CAN REALISTICALLY HOPE FOR ANY UPTURN IS NEXT SPRING, IF THEN.

THAT'S WHY, FOR OREGON, PASSAGE OF THE LEGISLATION BEFORE THIS COMMITTEE TODAY IS SO URGENT. THE TRENDS I HAVE JUST REPORTED, MR. CHAIRMAN, WHICH POINT TO HIGHER JOBLESSNESS IN THE MONTHS AHEAD, ARE REASON ENOUGH. BUT IN OREGON THERE IS AN EVEN MORE CRITICAL NEED FOR ENACTMENT OF THIS BILL.

THAT'S BECAUSE, YESTERDAY, OREGON WAS OFFICIALLY DECLARED INELIGIBLE FOR THE GOVERNMENT'S 13-WEEK EXTENDED UNEMPLOYMENT PROGRAM BECAUSE OF CHANGES IN CRITERIA PUSHED BY THE ADMINISTRATION BASED ON ITS ASSUMPTION THAT UNEMPLOYMENT BY NOW WOULD ONLY BE 7.5 PERCENT. THE IMMEDIATE RESULT WILL BE THAT 12,500 OREGONIANS WILL LOSE THEIR EXTENDED UNEMPLOYMENT BENEFITS ON DECEMBER 18.

THE GOOD NEWS IS THAT, BECAUSE OF THE FORESIGHT OF THIS COMMITTEE IN ITS WORK ON THE TAX BILL LAST SUMMER, THESE 12,500 JOBLESS MEN AND WOMEN WILL BE ABLE TO BE TRANSFERRED TO THE SPECIAL, SUPPLEMENTAL (FSC) PROGRAM AND BECOME ELIGIBLE FOR UP TO 10 WEEKS OF BENEFITS.

BUT, SINCE OREGON WILL BE "TRIGGERED OFF" THE REGULAR EXTENDED BENEFITS PROGRAM ON DEC. 18 AND WILL BE INELIGIBLE TO REQUALIFY FOR 13 WEEKS, THE SPECIAL SUPPLEMENTAL BENEFITS I JUST MENTIONED OBVIOUSLY ARE NOT GOING TO STRETCH FOR THESE 12,500 OREGONIANS. THAT MEANS A LOSS OF AT LEAST THREE WEEKS OF BENEFITS OF ANY KIND FOR THESE MEN AND WOMEN -- UNLESS THIS BILL IS ADOPTED.

BY EXTENDING SPECIAL BENEFITS FROM 10 WEEKS TO 15, THE GAP WILL BE BRIDGED. IT'S THEIR ONLY HOPE. WITH THE OREGON STATE LEGISLATURE HAVING BATTLED DEFICITS FOR THE PAST TWO YEARS, AND NOW HOLDING ITS BREATH TO SEE WHETHER IT CAN MAKE IT TO MARCH WITHOUT FUTHER CUTS, TAX INCREASES, OR BOTH, THERE IS CLEARLY NO OTHER LIFELINE IN SIGHT, EXCEPT THE ONE THAT THIS BILL WOULD PROVIDE.