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Florence P. Dwyer

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# REPORT TO THE PEOPLE FROM YOUR CONGRESSWOMAN

FLORENCE P. DWYER - 6th District, New Jersey



1631 HOUSE OFFICE BUILDING, WASHINGTON 25, D. C.

Volume V, Number 4

Thursday, February 23, 1961

History, at times, does seem to repeat itself.

Today, as in the first months of 1958, a recession in the American economy has become the number one national problem. Today, as three years ago, Congress is beginning a new session faced with conflicting proposals about how best to fight the recession. And today, the new Kennedy Administration has outlined a preliminary anti-recession program which is very reminiscent of the program advanced in 1958 by the old Eisenhower Administration.

To speak of the recession is not to say we are in a depression. It is not scare talk, nor pessimism, nor "gloom and doom." It is, I believe, a matter of facing facts, a healthy form of realism which is shared by responsible businessmen, labor leaders and government officials.

Indeed, it is only by virtue of such realism that we can take constructive and timely action and that we can encourage honest optimism about the future of the economy. Economic problems will not disappear simply because we refuse to discuss them, and they won't be solved by wringing our hands in despair. The recession is here now and it will go away only when we recognize it for what it is and do something about it.

## A Personal Look

During my last trip to the District, I made it a point to look into the situation personally as it affects our own people in Union County. I visited the N. J. State Employment Service offices in Elizabeth and Plainfield, discussed unemployment and employment opportunities with local officials, and talked directly with a number of people who are out of work and looking for jobs.

The results, while not yet cause for alarm, should provoke concern. As of the end of January, more than 10,000 residents of the County were on the active list of unemployed, approximately twice as many as the same time last year. The average weekly number of persons newly out of work has more than doubled. And the number of those who are forced to remain jobless beyond the 26-week period for which they are eligible to receive unemployment compensation is also increasing.

A high percentage of the unemployed are the unskilled and less skilled workers--traditionally the first victims of an economic slowdown and of the growing use of automation in some plants. At the same time, the Elizabeth employment office has a large number of openings for highly skilled mechanics and technicians, and job placements in these categories have been running ahead of last year.

In this respect, Union County has been more fortunate than many other highly industrialized areas where, because of the highly-concentrated nature of the industries and the relatively larger number of less skilled workers, the unemployment levels have reached truly serious proportions. Here at home, we benefit from the diversified character of our industry, the reliance on highly-skilled workers, and the large number of service-type concerns which flourish in a heavily-populated metropolitan area and which have not yet been hard hit by this recession.

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## Union County Industrial Survey

These observations have been confirmed by early returns of the questionnaire I recently sent to industrialists in Union County as a part of my survey of our area's economy. While long-range prospects are good, business -- with some exceptions -- has fallen off in many industries during recent months. Businessmen themselves are the first to recognize this, as did the president of one of the largest industries in our area who wrote me the other day asking for help in getting work for the many hundreds of employees he was forced to let go.

While I have no Government contracts to hand out, I hope there may be some useful suggestions I can make which will help assure this firm, so important to our local economy, equal opportunity in bidding on Government work they are capable of performing.

Beyond that, my responsibility involves helping to make certain that the actions taken by the Government to fight the recession will, in fact, relieve the distress of unemployment and promote recovery -- neither more nor less. We cannot afford to do too little, nor can we afford to use the recession as an excuse to achieve social or economic objectives which are not really related to the recession and which ought to be considered on their own merits.

So far, at least, the new Administration appears to be concentrating on the recession. Its specific plans are remarkably similar to those of the Eisenhower Administration just three years ago. The interest rate on FHA home loans has been reduced in order to stimulate the residential construction market. Defense orders, urban renewal and college housing projects, Federal highway construction and other existing projects, for which funds are already available, have been speeded up. Veterans Administration insurance dividends will be paid to policy-holders months ahead of schedule. And all Government agencies have been asked to find ways to help stimulate the economy without at this time requiring new programs or additional spending.

### To Relieve Distress

The Kennedy Administration has approached the human aspects of the recession, too, in a manner patterned closely after that of the Eisenhower Administration. Both Administrations proposed a temporary extension of unemployment compensation benefits, to cushion distress and to maintain purchasing power. In both cases, the additional benefits were to be paid by States agreeing to participate in the program, and financing provisions affected, ultimately, only the States and employers. In addition, the new Administration has utilized authority provided by Congress in 1959 to increase the distribution of surplus food commodities in States hard-hit by unemployment.

One major -- and puzzling -- contrast distinguishes our 1958 experience from today's recession. Three years ago, Congressional leaders attempted to push the old Administration into a series of far-ranging anti-recession programs. Today, with the new Administration following virtually the same course, Congressional leaders have hardly even started to work.

It's time for Congress to tune itself more acutely to the needs of the country and to act more convincingly as though it cared about what is happening.

-- 30 --

NOTE: Please let me know if you have friends or relatives who might also like to receive these Reports to the People. I shall be happy to add them to my mailing list. Also, please inform me if and when a change of address is necessary, and I shall make the change promptly. Thank you.