

Congress of the United States
House of Representatives
Washington, D. C.

STATEMENT OF THE HONORABLE M. G. BURNSIDE, MEMBER OF CONGRESS FROM
THE FOURTH DISTRICT OF WEST VIRGINIA, BEFORE THE WAYS AND MEANS
COMMITTEE OF THE HOUSE OF REPRESENTATIVES ON THE EFFECT OF H. R. 1
ON THE TEXTILE INDUSTRY IN WEST VIRGINIA.

Mr. Chairman:

I am M. G. Burnside of the Fourth Congressional District of West Virginia. Many of the people of my District, particularly in the vicinity of Parkersburg and Nitro, where two of the nations largest rayon factories are located, are employed by textile manufacturers. I have received communications from a large number of the people of my District who are employed in this industry, asking me to oppose further tariff reductions on imported textiles. Manufacturers, too, have informed me of their opposition to tariff concessions. I am here today to enter my objections to the passage of HR 1.

First, I would like to review the present condition of the textile industry, particularly in my District. It is generally conceded by all those who are familiar with the industry that it is in a nation-wide state of depression. I understand that production has been curtailed throughout the industry so that there is widespread unemployment, or part-time employment. I know that in the American Viscose Company plant in Parkersburg, which formerly employed more than 3,000 people, only about 900 employees are now at work. I understand from the Textile Workers Union of America that about 200 mills have been closed down in the last few years, and 75,000 workers have been layed off since 1951. In Parkersburg, as in many other cities, I am sure, the closing or near closing of a textile mill is an economic castastrophe, the effects of which are felt by every resident of the entire area. The rayon plant in Parkersburg, a city of 40,000, was the city's largest source of employment. It's limited operation at the present time has injured every small businessman in Parkersburg. It has, in addition to the unemployment directly created, caused widespread

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unemployment in other business activities. Numerous people who might otherwise have sought employment in Parkersburg, have been forced to leave their homes and families to seek employment elsewhere. Many, many more of the employees are attempting to exist in Parkersburg, as best they can. Hundreds are still drawing unemployment compensation. Hundreds more have exhausted their benefits. From statistics furnished me by the West Virginia Department of Public Assistance, I learn that over 2,700 people in Wood County, of which Parkersburg is the county seat, are on surplus food.

As you might expect from this, Parkersburg has been classified by the Department of Labor as a severe labor surplus area. Since their textile plant was so large an employer, it's displaced workers, and those displaced because of its economic effects, cannot find other jobs. This situation is doubly complicated by the fact that other local industry is also depressed at the present time. Nearly every other employer in Parkersburg has been injured by recent tariff reductions.

From this, I think it is clear that the present condition of the textile industry, particularly the man-made fibers division, does not warrant further tariff cuts which would increase textile imports. Much of the present distress in the industry has been caused by our unwise importation policy. Much more distress will be created if there are further tariff reductions on man-made fibers.

The chief beneficiary of such reductions would, of course, be Japan. Japanese rayon plants are as efficient as those in the United States. They are capable of producing and have produced fibers of as fine a quality as can be made in the United States. Their industry has rapidly recovered from the effects of World War II. I understand that the productive capacity of the Japanese rayon industry at the close of World War II amounted to approximately 360,000,000 pounds per year. As of 1950, that capacity had been raised 32,000,000 pounds to a total of more than 390,000,000 pounds. This restoration of rayon production capacity was made against the recommendation of the Textile Commission to Japan. It was made with the help and cooperation of the United States. But the fact

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is that the rayon industry in Japan is overbuilt. Its capacity for production at the close of World War II was adequate to supply the internal needs of Japan. I can see no fairness in a policy which permits the overbuilding of a foreign industry and then provides for lower tariffs in the United States to take care of the excessive foreign production.

I do not deny the fact that Japan must import foodstuffs in order to survive and that it must export materials in exchange. But the foods which Japan needs can be obtained in southeast Asia where she can trade her man-made articles for rice. Burma, Thailand, Indochina, the Philippines and Indonesia, all have, or could have, rice for export. Our policy should direct Japan's trade into these channels rather than directing it to the United States where irreparable injury can be done to our entire economy.

In conclusion, let me say that I am firmly convinced that there would be absolutely no benefit to be derived from further reductions in tariffs on textile imports as authorized by HR 1. On the contrary, every indicator capable of measurement indicates that nothing but harm will result if textile tariffs are lowered. Therefore, I ask this Committee to reject HR 1 in its present form or to report it only with sufficient quota limitation on imports of textiles.