We find no evidence that it will. If we are to solve the unemployment problem that now exists in various pockets in our economy, the tools used are going to have to be the kind that can be applied directly to the problem where it exists.

General tools like import quotas covering entire industries will not do this job and will give us more inflation.

Furthermore, it is erroneous to think that industries or even particular enterprises protected by quotas will provide real solutions to the problems of unemployment and poverty.

What they would do is trap people in low-paying jobs and virtually guarantee continuation of their status as low-wage workers.

In 1966, in testimony presented to a subcommittee of the House Education and Labor Committee, the job displacement argument was offered in a slightly different form by the Trade Relations Council.

It was based on a computer analysis of data on employment, imports, and exports for certain U.S. industries. A key table in that analysis covered 35 industries, all of them at the relatively small four-digit standard industrial classification code level.

The 35 industries were allegedly labor intensive. All 35 showed a decline in employment from the average for 1958–60 to 1964, and all showed an increase in net imports over those same years.

The implication was plain. Imports were presumedly causing the decline in employment and the decline was said to be particularly bad because labor-intensive industries offer many of the beginning jobs for people with low skills. The 35 industries involved had lost a little over 200,000 jobs over the period involved.

About three-fourths of this loss was concentrated in nine of the 35 industries. Our economists examined these nine industries. Our analysis showed that most of the jobs involved were lost because of rising productivity in the industries involved. Imports had nothing to do with the loss of most of these jobs.

It is true that imports exceeded exports by a greater margin in 1964 than in the base period 1958 to 1960 in every one of the nine industries examined, but the rise in net imports accounted for only a small fraction of the actual decline in jobs.

In footwear, where the job decline due to imports was greatest, 3,450 out of 12,764 production-worker jobs lost could be traced to imports. However, in sawmills and planing mills only 2,053 out of 42,133 could be traced to imports, and in bakery products only 117 production worker jobs out of a total of 18,713 jobs lost could be attributed to imports.

The implication that imports caused most of the job loss is erroneous. While the loss of even one job can be a personal tragedy, even this must be offset against the 2.9 million American jobs based on exports which are a hazard when we consider restrictive trade legislation and the retaliation it would provoke.

One last point is worth making about the nine industries that were analyzed. Bringing the statistics up to date so that they apply to the period 1964 to 1966, six of these industries actually showed employment increases and the others showed a reduced rate of job loss. Details of our analyses are available if the committee would like to pursue this question further.