

Mr. Purcell chose to select one of this large group of tables for comment in his testimony. It was the last (Table 15) of the tables submitted for the record in support of my testimony. It presented data for industries that had sustained both an absolute loss of employment and an absolute decline in balance of trade during the period 1958-1960 compared with 1964.

In presenting the table, I called attention to the rapid rise of imports (44.7%), the slight increase in exports (6.2%), the sharp decline in the balance of trade (88.8%), compared with the slender growth in the domestic market over that span of years (7.2%).

One of the consequences of the relatively static growth in the domestic market was an absolute loss of some 200,000 jobs for the 35 industries included in the group being analyzed. The disproportionate increase of imports versus exports was a contributing factor to this decline, but I certainly never claimed that the entire job loss was due to the import rise. Nevertheless, Mr. Purcell sought in his testimony before your Committee to put such a claim in my mouth retroactively, stating that "imports were presumably causing the decline in employment." Mr. Purcell's memorandum of analysis submitted to the Committee stated that this one table "was the critical one," though no claim or representation to that effect was made by me.

The superficiality of Mr. Purcell's analysis is shown by the fact that in another table submitted to the General Subcommittee on Labor in support of my testimony I did indeed undertake directly to measure the job loss due to adverse foreign trade trends in selected manufacturing industries. This presentation is made in Table 1, the first of the series of 15 tables presented by me.

Table 1 includes some but not all of the industries which are the subject of the entirely separate analysis presented in Table 15. Had Mr. Purcell desired to evaluate the true extent of the representations which I made as to actual or potential job loss due to adverse foreign trade developments on manufacturing industries, he should have used Table 1 which dealt with that subject rather than Table 15 which did not.

In point of fact, my estimates of job loss were not greatly different from those reached by Mr. Purcell for those particular industries which he lifted out of my Table 15 or his further analysis. As an example, for the "footwear" industry (SIC 3141, 3142) the results of my analysis presented in Table 1 of my testimony to the General Subcommittee on Labor indicated that the job equivalent of the foreign trade shift in the products of that industry was a -4,460. Mr. Purcell's analysis concedes that the decline due to the rise in net imports was 3,450 jobs.

Another example is the industry producing wooden containers (SIC 2441, 2442, 2443, 2445) in which my Table 1, undertaking a direct measurement of the job equivalent of the adverse foreign trade shift, indicates a net job loss of 195 compared to Mr. Purcell's estimate of 130.

A third example is the hosiery industry (SIC 2251, 2252). Table 1 supporting my testimony to the General Subcommittee on Labor measured the job equivalent of the foreign trade shift in that industry as -265 jobs. Mr. Purcell's analysis shows a decline in jobs due to the rise in net imports of 197.

The point of this discussion is that Mr. Purcell chose for his so-called "analysis" a table which had nothing whatever to do with a direct measurement of job loss due to adverse foreign trade trends, and, therefore, that his analysis proves nothing. Had he wished to present a critique of my methods of measuring direct job losses due to adverse foreign trade developments, the testimony which he used as his misdirected example did in fact include as the very first table (Table 1) precisely this type of analysis, which he chose to ignore. I can only conclude that he ignored it because the measurement of job loss which I made in Table 1 is in the same general "ball park" of the measurement of the job losses which his own methodology showed for those industries which fortuitously were included in both Table 15 and Table 1.

Mr. Purcell enjoyed nationwide publicity for his attack on the data of the Trade Relations Council, as the attached clipping from the front page of the *Journal of Commerce* for June 20, 1968, evidences. It is most unfortunate that Mr. Purcell's unfair and misleading analysis would have gained such national attention, being directed to testimony and data which were not even before your Committee and misrepresenting the significance of the data and failing to deal directly with the subject matter which he purported to analyze as well.

So that the members of your Committee and the Committee's staff and others who choose to use the printed record of your hearings may have both sides of the issues raised by Mr. Purcell, I respectfully request that this letter be included in the record of your hearings.