

5. POLICY POSITION

JOB CREATION FOR DISPLACED WORKERS

BACKGROUND

The nation's unemployment began a downward spiral from 5.2% in June 1990 to a June 1991 high of 7%. Although 116.9 million Americans were employed, the economy failed to produce enough jobs to keep up with the 8.7 million people looking for work, 2 million more than one year ago. New claims for unemployment benefits were filed by 423,000 persons, an additional 105,000 from the previous month, yet only 40% even qualify for help, leaving the other 60% with nothing.

The slump in the auto industry, the collapse of the construction industry, stagnation in military contracting, computer manufacturing and financial services losses last summer affected job growth across America. Manufacturing, which has been sliding for the past two years, lost 60,000 jobs in June with industries involved in defense production and transportation equipment suffering the largest losses.

Today, jobs are harder to find, wages are becoming stagnant, benefits are being slashed and thousands of workers are experiencing mass layoffs. Unemployment is continuing to rise and more people are exhausting their jobless benefits after 26 weeks, while the Administration's promise of a short recession followed by a quick recovery is not taking place. Statistics do not reflect the situation accurately because the numbers do not include workers who were forced into early retirement, who had to take jobs outside their fields, or who have simply given up looking for work. The worsening of the economy is displacing older workers who are too young to draw pensions or Social Security benefits, but still have mortgages to pay and families for which they are responsible.

An honest day's work, loyalty, dependability and stability, dedication and a sense of responsibility and longevity are no longer rewarded with security, promotions and raises. Our government has the power to solve the problem yet fails to do so leaving the real people, the working people, and people who make up the heart of America, without help and hope.

RECOMMENDATIONS

The Southern Legislative Conference encourages the Congress of the United States to extend jobless benefits to workers who have exhausted their benefits.

The Southern Legislative Conference further encourages states to look toward long-term solutions to promote economic self-sufficiency and discontinue the philosophy of a "quick fix." We need strong economic development, for we will have no jobs if we have no business. We need a diversified economy in every state of the nation, and should provide incentives in order to bring this about.

The Southern Legislative Conference further encourages states to enact economic development policies which provide for the development of electronics companies and machine-tool manufacturing businesses because they are doing well through a demand for new machinery and strong exports. We also encourage usage of our own natural resources such as coal and timber, and the provision of incentives for these businesses so they can comply with the newly adopted Clean Air Act.

Adopted by the Southern Legislative Conference, July 23, 1991.

SO-91-PP7