

tend to take care of the immediate economic difficulties, workers, and communities, too.⁶ The individual company could be given added financial assistance which would enable it to carry its workers on the payroll during all or most of the transition period.⁷ If an entrepreneur affected by increased competitive imports were relieved of responsibility for his workers, he might decide to close down his shop altogether. Readjustment for workers and for the community affected would then become even more onerous.

Readjustment and the responsibility for its being carried out would best be fixed in one focal point—the entrepreneur. The more closely a readjustment assistance program is focused on the individual firm, the less costly it is likely to be in money terms and the easier it could be administered. With the enterprise at the center of the program, assistance to workers and communities because of injury by imports has lost much of its erstwhile urgency, particularly in view of the depressed area legislation already passed by Congress.

In providing means for helping the industry, and the businessman and entrepreneur intent upon readjusting activities to increased imports, and to induce them to make necessary changes with due haste, no one formula defining an optimal rate of speed for readaptation can be prescribed.

FINANCING THE PROGRAM

Proposed sources and methods

The amount of Federal contributions to the program will be governed by the degree to which the Federal Government would participate directly in the program, and also on the program's coverage. In the case of a comprehensive adjustment program covering workers and communities as well as business firms, it might be useful to establish one major source of financing. A readjustment "equalization fund" has been suggested, fed by allocations from various sources in such a manner as supposedly to equalize burdens and benefits derived from greater import competition among industries or segments of industries. Earmarking of customs revenue either directly or as contribution to such a fund has also been proposed.⁸

Another set of proposals concerns assistance in the form of low-interest loans granted by a Government agency like the Small Business Administration, with or without private participation, and including a system of loan guarantees.

A third form of financial assistance suggested is that of accelerated depreciation writeoffs. Liberal amortization allowances would be provided to induce enterprises to discontinue a given line of production, for example, which has ceased to be profitable because of increased import competition. This would permit the company to scrap equipment more quickly, in the absence of alternative uses.

A readjustment equalization fund

One of the suggestions for financing a program of assistance in adjustment to increased competitive imports has been that of set-

⁶ In this respect, most earlier congressional proposals have erred on the side of all-inclusiveness. This fact raises doubts as to their practicability.

⁷ This would be in line with the closer cooperation between management and Government which has been developing as a result of the increasingly numerous "guaranteed annual wage" or "supplemental unemployment benefits" agreements. Most of the agreements concluded are in export industries, however.

⁸ Burden equalization must not be made dependent on the method of financing, however.