

A prime advantage of concentrating such assistance on individual business enterprises would be that it would make it easier to part sheep from goats. In the course of conducting escape clause and other types of investigations, the Tariff Commission has acquired a substantial body of experience and of precedents for attributing injury to increased competitive imports. By not including communities as direct aid recipients under the program, its administration will be materially simplified: For even in a depressed one-industry town there will invariably be numerous lines of causation leading to what economic dislocation there may be present, and many of these would not be even remotely connected with increased import competition. If, therefore, no new Federal aid were programed for communities as such, other than what would be made available to local business firms eligible for trade adjustment aid, there would be no need, in the process of determining eligibility for assistance, for going into and separating out causes underlying such economic distress as may be found in the community, and thereby complicate the administration of the program.

Functions of cooperating agencies

The philosophy behind Federal aid in trade adjustment is that it would be used as an inducement to adapt more rapidly operations of individual business enterprises to changed competitive conditions brought on by increased imports. In order to have an effective program, that philosophy must be adhered to throughout the adjustment program's operations.

As the individual enterprise will be assumed to be the focal point of assisted readjustment, it does not seem advisable to set up a special adjustment assistance board or other separate administrative body. At the center of the program would be the U.S. Tariff Commission. A finding of injury or threat of injury by the Commission would trigger the adjustment assistance apparatus. The Commission would be empowered to recommend such a program for an industry or portion of industry, as an alternative to the restoration of withholding of tariff concessions under an escape-clause or peril-point investigation.²⁶

Putting such additional responsibility on the Tariff Commission might require that the Commission be provided with additional staff. Such additional staff could be placed into a trade adjustment division to be newly created. The staff of this new division, in the performance of its task, could then draw upon the services of the other divisions of the Commission, as well as on those of the appropriate departments and agencies of the executive branch.

Another function of this new division of the Tariff Commission would be to conduct or to supervise the efficiency investigations of firms applying for adjustment assistance. This requirement may well raise a number of complications. Nevertheless, in the interest of fairness and efficacy, such a determination cannot be shirked, for gross inefficiency may be an important contributory element to injury suffered.

²⁶ In order to permit certain types of readaptations that would require time for becoming effective, the Commission's finding might be in some cases accompanied by a restoration of the concession for stated limited time only, and on a downward sliding scale. (See Randall Commission, "Staff Papers," p. 387, and quotation at the end of this chapter, below.)