

For several of the agencies involved in administering the proposed program, some modification in normal function would be necessary. The agencies concerned are: the Tariff Commission, whose activities would be widened in a manner already indicated; and the Small Business Administration, whose functions would be widened to include the granting of trade adjustment loans.²⁹ Otherwise the readjustment assistance mechanism here outlined essentially utilizes existing facilities within the executive branch of the Government.

In granting loans to individual business enterprises, the criterion used should be a "reasonable assurance of repayment" of the loan. This test, currently used, for example, by the Export-Import Bank in granting loans under its charter, should be sufficiently flexible so as not to bring the Government lending agency cooperating in the program in competition with private capital and lending institutions.

It should be noted also that the grouping of cooperating agencies would keep responsibility for dislocations caused by the Federal Government's trade policy essentially within the jurisdiction of the Federal agencies concerned with foreign trade. A clearer picture of the administrative accomplishments of the program and of its effects on the economy would thus be obtained than if a more complex administrative arrangement were instituted.

Once assistance has been granted, it would probably be appropriate to require participating enterprises to submit to annual reviews throughout their transition periods. The newly to be established Readjustment Division of the Tariff Commission would be an appropriate instrument for conducting these reviews, reporting to the Standing Committee.³⁰

How the program would operate

Under the proposed trade adjustment program devoted primarily to relieving the individual business enterprise of distress caused by increased imports, assistance granted would be chiefly in the form of loans, from the Small Business Administration. The Department of Commerce would have opportunity of providing technical services, in conjunction with the Department of Labor. Such services are unlikely to require expansion of current staffs and facilities.

The procedure would start with announced tariff reduction. There actually would have to be a certain lapse of time after the tariff reduction went into effect so as to be sure that imports would in fact increase.³¹ When imports have in effect increased, the Tariff Commission would have to determine injury or threat of injury. Transitional readjustment periods set for every industry or commodity group affected by probable increases in imports. The length of the transi-

²⁹ In the case of assistance granted to marginal producers, assistance to workers employed by them also will often be necessary. The Department of Labor in addition to its consultative functions in the entire program area, and the Department of Health, Education, and Welfare, would be specifically responsible for making effective aid available to such workers. Workers would receive priority treatment under existing social security and unemployment benefit regulations. No additional administrative machinery would be required.

³⁰ This procedure would be patterned on the annual reviews now conducted by the Tariff Commission on commodities for which relief has been granted under the escape-clause provision of the Trade Agreement Extension Act, under Executive Order 10401.

³¹ Many rates of duties have been lowered in the past and imports have decreased.