

ness to economic fluctuations. Community efforts of the type exemplified by the "Report on Gloversville" will be of help in this task, provided they can be kept up to date.

The resources of the Federal Government also could be put at the disposal of the community and of the State with a view to getting such a survey underway. The survey also would present the problems involved in establishing new industries in the area to private interests and provide an incentive for them to take advantage of business opportunities hitherto not recognized.³³

Through the survey, acceptable industrial projects would be identified which would promise to expand and stabilize employment in the area. It is fairly evident that any new industries brought into Fulton County would have to operate on a relatively small scale in view of the lack of transportation and industrial raw materials. The manufacture of parts for electronic equipment, of plastics, or of work gloves, for example, would conform to these environmental circumstances.³⁴

Tariff Commission's finding

The program of assisted readjustment would start to operate with the industry or the firm making application to the Tariff Commission for relief from injury suffered or threatened by increased competitive imports under the provisions of section 7 of the Trade Agreement Extension Act (the escape clause).³⁵ In contrast to current practice, the Commission would be authorized to recommend assisted readjustment of the firms being parties to the investigation, as an alternative to higher rates of duty or other forms of traditional relief involving import restrictions.³⁶ The Commission then would instruct the Readjustment Division (newly to be established) to prepare a preliminary report on the situation, with appropriate substantive recommendations for adjustment relief. Report and recommendations then would be transmitted to the Interagency Standing Committee.³⁷

The Interagency Standing Committee

After appropriate study of the report presented by the Tariff Commission, the Standing Committee would decide that, whereas the glove industry in general has been faced with a difficult problem because of suddenly increased imports (due to lowered trade restrictions), the firms needing relief most urgently were those in the Fulton County area. The Committee thereupon would instruct a marketing and

³³ The technical details of such survey, including criteria for the establishment of new industries, cannot be gone into here.

³⁴ No attempt will be made here to deal with these potential new industries in greater detail.

³⁵ The fact that as recently as March 1960 the U.S. Tariff Commission felt impelled to deny an application for relief brought before it by the women's and children's leather glove industry would seem to make institution of an alternative method of relief that much more desirable.

³⁶ The existence of adjustment assistance provisions would have to loosen criteria used by the Tariff Commission under sec. 7. This point needs further investigation. A temporary raising of rates of duties, interphasing with the adjustment program, need not be ruled out. See last paragraph of chapter V, above.

³⁷ This first step could actually be simplified in this manner: The Tariff Commission even under present procedure has to undertake a considerable amount of economic analysis for each of its investigations under the escape clause. The Commission at present does not publish this analysis. By "declassifying" the substance of such material, the Commission could use it as a basis for informal recommendations appended to its escape-clause report, without encumbering the docket with additional, very probably repetitive, documentation.