engineering survey to be made, in cooperation with the field and regional offices of the U.S. Department of Commerce and U.S. Department of Labor, and of the New York State Department of Labor and Commerce.

Result of survey

The survey is carried out with assistance from the local chambers of commerce and the Industrial Development Corp. On the basis of information developed through the survey, the Commerce Department recommends that one fabric and five leather glove plants undertake conversion to other types of production—with assistance, as necessary, and that three small leather glove producers be assisted in liquidating operations in an orderly manner. The six firms involved in the recommended conversion employ more than 50 workers, the fabric glove concern more than 100.

The cost of the survey amounts to $20,000. This cost is absorbed by the agencies cooperating, acting "in line of duty."

Recommendation is made that the five leather glove firms be given assistance so as to enable them to undertake production of electronic component parts. The facilities of the fabric glove firm are found suitable for producing work gloves as a sideline, after procurement of additional equipment for chemical treatment and dipping.[38]

Review and financing of program

The Standing Committee approves the recommendations, and instructs the financial agencies cooperating in the program (the Small Business Administration, at the Federal level, and the New York State Business Development Corp. at the State level) to proceed with arranging the actual financing of the program.

For the three small leather glove producers, liquidation loans are arranged for by the Small Business Administration, at a total cost of $45,000. The fabric glove concern undertaking to produce work gloves is assisted in obtaining a $350,000 3-year loan with a private financial institution, with guarantee for the loan provided by the Small Business Administration. Of the five former leather glove firms, three decide on merging. This leaves three units to be serviced by adjustment assistance facilities: Two 5-year loans of $250,000 each are provided for the two larger plants, both guaranteed by the State Business Development Corp., in cooperation with the Small Business Administration. The third concern is eligible for a 5-year, $150,000 loan from the Small Business Administration.

Resumption of production

After a minimum delay occasioned by negotiations of the financial provisions of the program and implementation of required engineering measures, operations are resumed. The total cost of the program amounts to $1 million. Spread over 3 years, the annual cost of the program would be in the neighborhood of $300,000. Actual nonreimbursable outlays by Federal and State agencies involved, including the cost of survey, may be assumed at less than 15 percent of the total annual cost.[39]

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[38] No specific provision is made for retraining workers outside the plants. It is assumed that they are kept on the payroll and acquire necessary knowledge of the new processes as they go along.

[39] The discussion in the text does not include the possibility of temporary tariff relief, to be withdrawn after successful adjustment, although a combination of temporary tariff relief and adjustment assistance deserves further examination. See last paragraph of Chapter V, above.