

The Committee commends the present administrative procedures used to make surplus Government property promptly available for use in connection with the training of displaced workers. It hopes that these procedures can be further developed, including more effective ways for making training authorities aware of the availability of suitable properties.

RELOCATION

As noted in chapter 4, the disposal of residences may be a serious barrier to labor mobility. Hence the Committee recommends that the Veterans' Administration (VA) and the Housing and Home Finance Agency (HHFA) utilize more actively their authority to initiate mortgage forbearance agreements in the case of emergencies created by changes in defense programs. It recommends further study of the problem of disposal of residences of workers displaced by major defense cutbacks. A working group, including representatives of VA, HHFA, GSA (General Services Administration), and the Departments of Commerce and Labor should be established to consider additional possible programs in this area.

The Committee gave consideration to the possible use of relocation allowances to assist displaced defense workers to move to areas in which jobs are available. Specifically, it considered the suggestion that the precedent—in the Trade Expansion Act—of providing relocation assistance to those affected by changes in Federal programs or policies be adapted to employees affected by defense shifts. The Committee noted the lack of any experience under the act. More importantly, it recognized the difficult administrative and equity considerations that could arise in attempting to restrict such assistance to defense workers or to communities affected by shifts in defense procurement. For example, when a firm that produces for both defense and nondefense purposes lays off an accountant, it is often almost impossible to determine whether he was laid off as the result of a cutback in defense work. Nor is there any basis for treating differently the production worker on the nondefense side of a contractor's business who is "bumped" by a worker from the defense side when defense work is curtailed. It is difficult to conclude that the retail salesman who is laid off in a community where retail sales have been reduced because of decreases in defense production is less deserving of relocation assistance than the worker in the defense plant.

Difficulties such as these make it most doubtful that relocation assistance would be justified except as part of a general program available to all—whether the need arises from defense shifts or from other causes.

The Committee recommends that the Department of Labor continue to study the possibility of a general program of relocation assistance to unemployed workers, drawing upon the experience of its experimental program under the MDTA, especially as expanded in accordance with the 1965 MDTA amendments. It should also study the experience of other countries with relocation allowances. However, the Committee concluded that existing or prospective problems of dislocation arising from defense shifts do not *by themselves* justify any general relocation program that is not justified by the needs of the economy generally.