

(and impose import quotas) for the purpose of restricting the troublesome imports, or to invoke the adjustment assistance provisions, including the retraining of workers and the rendering of technical assistance to individual producing firms.

The fact that Congress modified the proposed legislation in such a way as to make the adjustment assistance provisions almost impossible to administer does not alter the fact that for the first time the law recognized this fundamental change in trade philosophy.

There has been, and there continues to be, confusion between "injury" and the "inconvenience" of having to adapt to a new and intensified competition. "Injury," resulting from import competition, is essentially a short-run phenomenon. Under free trade most of the workers who are displaced by imports soon find new jobs. The problem of injury is the problem of someone being hurt in the short run.

Injury involves individual workers and the owners of individual firms. The dictionary meaning of the word is clear—"injury" means that someone is hurt. It does not mean, and it should not be confused with "inconvenience."

The inconvenience of shifting from one job to another may be considerable, but it does not mean that a person is necessarily hurt, or injured, merely because he is forced to adjust to a different line of activity. In a free enterprise economy this is done every day in response to the pressures of domestic competition.

It is the essence of the individual enterprise system that those who are not suitably adapted to their economic environment should transfer to other lines of work for which they are better adapted. The underlying principle of the individual enterprise system is that the utilization of resources is maximized through the pursuit of self-interest. When the government prevents such adjustment efficiency is minimized.

When injury resulting from import competition is referred to it should be made clear that the reference is not to the mere inconvenience of transferring from one line of work to another. For example, not very long ago, a number of producers of briar smoking pipes in New York City were displaced by import competition. They were not "injured," however, because it was easy for the workers and the owners of the firms to find new jobs and new profitmaking opportunities in the highly industrialized and highly diversified city of New York.

But, when a similar phenomenon occurs in a less-diversified area, such as parts of West Virginia, where only a limited number of economic opportunities exist, the adjustment process—the inconvenience—can itself constitute injury. When a person cannot reasonably locate an alternative job he is "injured". When the same thing happens to a firm it, too, is hurt. This is what should be meant by "injury".

It is important to recognize that "industries" seldom, if ever, suffer injury. "Industry" is a statistical, rather than an economic, concept. Individual workers and owners of capital, not industries, suffer injury.

When firms or workers are unable to find alternative opportunities they are injured, and the question is "what should be done about it?" Most Americans believe that no individual, or group of individuals, should be called upon to bear the economic cost of foreign policy by