

probably would have to move their families to a large industrial center, learn a new trade, and hope for a job manufacturing a product which will have a market abroad through concessions obtained from foreign countries.

If they own their own homes they would be forced to sell, with no market for homes due to the lack of employment opportunities in West Paris. The merchants and service organizations in West Paris would lose their customers and unquestionably would be forced to close. The trucking companies and their workers would lose their sole source of revenue in West Paris and would be forced to seek business elsewhere. The hundreds of farmers would lose their market for their wood.

The town of West Paris could not possibly survive the closing of the Penley Bros. plant and would become another ghost town. To be sure, the Trade Expansion Act of 1962 provides for assistance to Penley Bros. However, in order for Penley Bros. to qualify for such assistance it would have to get the President to determine its eligibility (no easy task even with the proposed changes), and then would have to present to the President a proposal for its economic adjustment and satisfy him that the proposal was "reasonably calculated materially to contribute to the economic adjustment of the firm; to give adequate consideration to the interests of the workers of such firm adversely affected . . . and . . . that the firm will make all reasonable efforts to use its own resources for economic development".

The machinery and equipment in the Penley Bros. plant is designed solely for the production of clothespins. It could not be used for anything else and would have to be junked. This would leave the company with an empty shell of a building, and it would have to start from scratch. The only advantage of its location is its proximity to wood supplies. Even if it could finance with government loans the installation of new machinery, designed to produce other wood products, its chances of success are practically nil. The production of other wood products is highly competitive and existing manufacturers are already in trouble as a result of increased import competition.

It could, of course, at the taxpayers' risk, tool up for the production of entirely different products, using raw materials transported from another area of the country. In so doing it would be embarking on a highly risky venture, entering another market in competition with existing firms which are probably located closer to the source of supply of necessary raw materials and which have established selling organizations and contacts with the market.

Aside from the difficulty of presenting a satisfactory proposal for its economic adjustment, Penley Bros. would be expected to enter into partnership with the Federal Government. Any loans or other assistance would be subject to such "terms and conditions" as the President deems "appropriate". Such terms and conditions would probably include a voice in management, directions as to the specific products to be manufactured and as to methods of distribution, prices, etc. Individual stockholders of the firm could be required to endorse notes evidencing any loans made to the firm and would remain liable if the firm failed. In effect the firm would become a virtual ward of the government. The President has proposed no changes which would eliminate any of these problems.

Under these circumstances it is highly probable that Penley Bros. would cease to exist, and would not even apply for assistance under the Act.

The next question is what happens to Penley Bros. employees? The Act as it is proposed to be amended, "assures" these workers of assistance, provided they can prove to the President (formerly the Tariff Commission) that they lost their jobs as a result of increased imports. In the absence of an application by the industry or by Penley Bros. for a determination that the company is eligible for assistance, the workers would be on their own, and would face an almost insurmountable task. As indicated before, persuading the Tariff Commission to make a determination as to injury resulting from increased imports is not easy, even with the combined efforts of an entire industry. Persuading the President under the proposed new Act can be equally difficult. It is inconceivable that individual workers, even though represented by a union, could assemble the voluminous facts and figures necessary to enable the President with the advice of the Tariff Commission under the proposed Act to find that increased imports of a particular commodity have been a substantial cause of unemployment or underemployment or a threat thereof of a significant number or proportion of workers".