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Expert Group on Adjustment
Assistance Measures

ADJUSTMENT ASSISTANCE MEASURES

Note on Proceedings Prepared by the Secretariat

1. The Group of Experts met on 30 May 1972 under the Chairmanship of Mr. C. Canarp (Sweden). The Group had before it document COM.TD/W/152 and Addenda 1 and 2 containing replies by governments in response to the questionnaire circulated as GATT/AIR/859, and a secretariat background note COM.TD/W/163. The replies to the questionnaire were summarized in COM.TD/W/162.
2. In the course of the examination of the replies to the questionnaire members elaborated on the information provided and gave additional and more up-to-date details on certain aspects of their countries' adjustment assistance programmes. It was agreed that the secretariat should revise the summary of the replies received (COM.TD/W/162) so as to incorporate any amendments as well as the new and additional information provided during the discussions. The revision is annexed hereto.
3. The member from the United Kingdom informed the Group of recent modifications to the adjustment programme of his country which have the same rôle and fall within the same framework as previously but are designed to simplify the schemes that are on offer in the forms of capital assistance and re-training.
4. The member from the United States stated that under the United States adjustment assistance programme, which is trade-related, the first cases emerged in 1969. Since then, there had been fifty-eight separate findings and certifications of worker-adjustment assistance, involving some 25,000 workers. At the present time there were some thirty worker petitions before the Tariff Commission. As of February 1972 benefit payments of \$38 million had been made to workers. As of May 1972, approximately \$14 million had been approved for adjustment assistance to firms mainly in the form of loans and loan guarantees. The United States administration takes the view that in a market economy, restructuring of industry is a natural and continuing process in which firms and industries constantly adapt themselves to changes in market conditions and market prospects with a minimum of government intervention. However, in the interests of liberal trade policies there were situations where trade-oriented adjustment assistance could play a useful rôle. To the extent that the major trading nations have effective trade-oriented adjustment assistance programmes, the prospects for a meaningful reduction of tariff and non-tariff barriers would be enhanced. This was relevant to the prospects for broadly-based trade negotiations scheduled to commence in 1973.

5. The member from Sweden stated that the Swedish adjustment assistance programme was based on the concept of a rational international division of labour and comparative advantage in the production and exchange of goods. An active labour market policy is the main instrument used in Sweden to deal with changing economic circumstances and to support a liberal trade policy characterized by low duties and a lack of restrictions. In general, adjustment assistance in Sweden is used to assist viable industries and not to support uncompetitive ones.

6. The member from Japan referred to the "Provisional Law Concerning Measures for Small and Medium-Size Enterprises to Cope with the Changing Situation Introduced by the GSP" which was implemented by Japan as of 1 August 1971. Under this law small domestic enterprises facing problems as a result of the introduction of the GSP could submit a plan of conversion to the provincial governor for consideration. If the plan is approved, the firm is entitled to access to financial facilities and insurance, as well as guidance and advice in the implementation of the plan. Because of the short period which has elapsed since the introduction of the GSP by Japan, this law has not so far been utilized.

7. In the opinion of the Swiss representative, in examining the problem of adjustment assistance, account should be taken of the particular economic and political context of each country. At the present time, most industrial countries had at their disposal instruments of varying scope to facilitate structural changes related to the general evolution of the economy. It was therefore probably not necessary, in all cases, for governments to equip themselves with adjustment assistance mechanisms specifically linked to international trade liberalization. The most important thing was that governments should pursue economic and conjunctural policies which would allow undertakings to carry out, where possible by themselves, any adjustments made necessary by international trade liberalization.

8. The member from Canada informed the Group that the Canadian adjustment assistance programme was essentially trade-related. Restructuring is an essential element and a company, in applying for assistance, was required to present a restructuring plan which could entail a shift of resources. The main criteria was that after the firm is reorganized it should be commercially viable and able to meet competition without necessarily requiring the same degree of protection as existed at the time of application for assistance.

9. The member from the Commission of the European Communities stated that the Community was mobilizing increasing efforts in respect of the utilization of adjustment assistance. The objective, through its regional development responsibility, was to achieve a balance and harmony in the context of overall Community development. Financial facilities were provided for assistance to firms and workers through the European Investment Bank, the Social Fund and the orientation section of FEOGA with respect to agriculture. There was also a Fund under the Treaty setting-up the Coal and Steel Community which was used for reconversion of the mining sector. Because of the availability of measures of adjustment assistance it had been possible to include certain sensitive items, such as textiles, in the Community scheme of preferences for developing countries.

10. According to the member from France, adjustment assistance measures are used for internal reasons based on national economic policy and not solely for external reasons. Measures are concerned, inter alia, with regional development, balanced development and town and country planning. Assistance in the field of employment has been strengthened in recent years. By following developments and trends in employment, every effort is made to anticipate declines in particular industries so that preventive action may be taken in fields such as social welfare and training of labour and modernization and reconversion of industry. With regard to declining sectors in certain regions such as the leather, hides and textile industries which have a large female work force, action is taken through vocational training courses to redirect displaced labour into tertiary industry.

11. The member from the Federal Republic of Germany informed the Group that his Government believed that a liberal foreign trade policy together with a structural policy promoting structural changes in general terms and dispensing in principle with subsistence subsidies are the most effective propulsion forces to prepare for structural changes which are caused by increased imports. In accordance with the market economy approach, industry generally has to cope with new economic conditions without financial assistance from the government. An early warning system is operated through the provision to industry of analyses and forecasts of trends made by economic research institutes. Where structural problems cannot be avoided, adjustment assistance may be provided under the labour programme for such purposes as redeployment and retraining, labour mobility etc., and through credits to enterprises.

12. In referring to certain points made during the discussions the member from India stated that the discussions had revealed greater awareness on the part of the developed countries of the need to adopt adjustment assistance measures for facilitating trade liberalization. Furthermore, there were some developed countries which had adopted trade related adjustment assistance programmes. The replies to the questionnaire had also shown that there were instances where such programmes had been used to relieve problems in certain industrial branches such as the textile sector. There was, however, need to reorient adjustment assistance programmes in such a way as would lead to identification of the sectors of industries where problems were likely to arise as a result of competition from other countries, especially the developing countries. It may be possible to identify sectors in the economies of the developed countries where developing countries had competitive advantages, for example through labour intensive production. Consideration could then be given as to the type of adjustment assistance measures which might be appropriate to facilitate trade liberalization or to prevent possibilities of new restrictions being introduced. There were possibilities that with the implementation of the Generalized System of Preferences industries in developed countries confronted with increasing competition from imports, may submit demands for protection through escape clause action. The application of adjustment assistance could be more effective and more appropriate in such cases than the introduction of trade restrictions.

13. The member from India also stated that the desirable objective of any policy of adjustment assistance should be to facilitate resource allocation to more productive sectors of the economy rather than modernization of basically non-competitive lines of production. Unless such shifts of resources to more efficient and productive sectors took place, the basic purpose of using adjustment assistance to secure trade liberalization would not be achieved.

14. The Group agreed that the work of the Expert Group for the purpose of collecting information on activities in the field of Adjustment Assistance should be continued. Some delegations proposed that consideration be given to filling gaps in the information provided by governments in response to the questionnaire contained in GATT/AIR/859, and that governments which have not so far responded to the questionnaire be asked to do so. This additional information should enable the Group to obtain a more comprehensive picture of measures available as well as their application and effects in relation to international trade.

15. A number of suggestions and ideas put forward by members concerning matters that might be considered for examination in the context of the future work of the Group were discussed. Although divergent views emerged from the discussion of some of these points the Group thought it useful to list the various points for consideration by the Committee on Trade and Development.

16. Some members indicated that the use of trade-related adjustment assistance measures had to be seen in the context of the specific economic situation in each country which makes the application of such measures unnecessary or inappropriate in some cases. The Group noted that, although some countries have the means for intervention, there had been only very limited use of adjustment assistance for the particular purpose of promoting trade liberalization. The Group might wish to consider examining the reasons why adjustment assistance for this purpose had not been more widely resorted to.

17. While some members considered that an examination of the use of adjustment assistance as an alternative to import restrictions on a sectoral basis would be a useful approach, some other members had reservations. One member felt that an effort to explore the rôle adjustment assistance could play in avoiding excessive reliance on escape clause action would yield little beyond some general observations to the effect that the application of adjustment assistance would reduce the risk of escape clause action. Another member believed that such an exercise could serve a useful purpose having regard to the importance of the smooth and continuing implementation of the GSP for developing countries.

18. While some members expressed reservations about anticipatory adjustment measures, one member pointed to the concept of "early warning" which was being developed in his country and which was found useful.

19. Some members were of the opinion that the suggestion in paragraph 8(i) of COM.TD/W/163, concerning an examination of the rôle adjustment assistance could play in the context of co-operation between industries in developed and developing countries, was outside the terms of reference of the Group.

20. Some members supported a suggestion made during the discussions that it would be useful for the Expert Group to undertake an in-depth study of certain technical aspects of adjustment assistance which were creating problems for governments in the implementation of adjustment measures.

21. Some members suggested that the secretariat might undertake an analysis of the information assembled in 1969 and the replies to the questionnaire in GATT/AIR/859. Such an analysis could be helpful in the Group's further consideration of adjustment assistance measures. In this context a distinction could be made between the different types of situation in which adjustment assistance measures were applied. Discussions in the Group had indicated that while only a few countries' adjustment assistance measures were directly related to trade, some other countries had available measures which, while permitting direct intervention for adjustment, were not conceived to be used specifically in connexion with the pursuit of liberal trade policies. Furthermore, there were instances where adjustment assistance had been used to facilitate the re-allocation of resources and thereby promote a different pattern of specialization. Adjustment assistance was in some cases used also for the purpose of modernization and the improvement of competitiveness in industry without affecting structural patterns of production.

Chairman's concluding remarks

22. The Chairman observed that the comprehensive and interesting exchange of views in the Group had again brought out the point that adjustment assistance can be an effective instrument in furthering the cause of trade liberalization. It may be expected that this rôle of adjustment assistance measures will not escape attention in the context of the forthcoming multilateral trade negotiations. The Committee on Trade and Development may wish to underline this point particularly in relation to the possibilities for achieving further liberalization of the trade of developing countries within the framework of the negotiations. With regard to the various suggestions and ideas put forward in relation to the future activities of the Group, the Chairman said that they would be listed in the note on proceedings of the meeting so as to enable their further consideration by the Committee on Trade and Development.

23. Points for consideration in the context of the Group's further work

(a) The Group might find it useful to study in greater depth certain technical aspects of adjustment assistance such as problems relating to training, early placement of labour, job location, etc., in the hope that the experience of different countries could be useful to others in improving the practical application of adjustment assistance measures. The Group might also consider the usefulness of a more general application of an "early warning" system. The collection and analysis of data on these various techniques of adjustment assistance could, by contributing to an improvement in the efficiency of the systems applied, promote more active use of trade-related adjustment measures.

(b) Where certain residual restrictions have continued to be applied over a period of time to products of export interest to developing countries, the countries maintaining these restrictions might be asked to furnish, in the Group on Residual Import Restrictions or other Committees charged with discussion of the matter, more precise and detailed explanations as to any efforts made to deal with the problem through the use of adjustment assistance measures and the particular difficulties, if any, that may be inhibiting the use of such measures.

(c) The Group might explore the possible rôle of adjustment assistance in avoiding or minimizing resort to escape clause action and other safeguard mechanisms applied against imports, especially where the trade interests of developing countries are involved. It might also be possible to take account of adjustment assistance to permit the relaxation of restraints after they have been in force for a period of time.

(d) There is the view that further trade liberalization in certain sectors will only be possible if accompanied by adjustment assistance measures. The Group might identify sectors and areas where more positive efforts to use adjustment assistance are needed, including areas where developing countries have a competitive advantage.

(e) The Group might be asked to look into possibilities for undertaking a study on the effectiveness of adjustment assistance techniques in the process towards removal of trade barriers imposed in different countries in a particular sector. The sector should be chosen on the basis of its interest to developing countries.

ANNEXADJUSTMENT ASSISTANCE MEASURESSummary of Replies to the Expanded QuestionnaireNote by the Secretariat

1. Document COM.TD/W/152 and addenda contain information on adjustment assistance measures provided by delegations in response to the questionnaire circulated in GATT/AIR/859 dated 28 May 1971. In the following paragraphs, an attempt has been made to summarize the replies received under the three main headings covered in the questionnaire i.e. measures available, measures applied and the effects of such measures, as well as information provided at a meeting of the Expert Group on 30 May 1972. For further details delegations are invited to refer to the document mentioned and the secretariat note on proceedings of this meeting.

I. MEASURES AVAILABLEAustria

2. Since the last notifications, contained in COM.TD/W/92/Add.5 and COM.TD/W/126/Add.1 the Federal Act on Improvement of the Economic Structure was extended to cover enterprises in addition to those mentioned earlier (Federal Gazette No. 417/1970) and the provisions for promoting adjustments and co-operation were prolonged to 31 December 1973.

Canada

3. There are two main programmes of adjustment assistance to industry; the General Adjustment Assistance Programme (GAAP) and the Automotive Adjustment Assistance Programme (AAA). The aim of the former is to facilitate the adjustment of Canadian manufacturers to changes in the trading environment resulting from the Kennedy Round. It also provides assistance to manufacturers of textiles, clothing goods and footwear so as to improve their competitive position in domestic or export markets and to adapt efficiently to disruptive import competition that is threatening or causing serious injury. The AAA programme assists Canadian manufacturers of original equipment, automotive parts, tooling, specified commercial vehicles and suppliers of material to adjust to the market environment created by the Canadian-United States Agreement on Automotive Products. Under the GAAP, financial assistance is available in the form of (a) government insurance against the risk of loss on loans made by private lenders for the purpose of financing viable adjustment projects, (b) direct government loans and, (c) financial grants. The financial assistance under the AAA programme has been mainly in the form of loans and in certain circumstances, through the remission of duty on imported machinery. With regard to assistance to labour, the programmes include counselling, referral, placement, training, retraining and mobility assistance as well as

financial assistance for early retirement benefits for textile and clothing workers displaced as a result of import competition.

Denmark

4. While industry may be eligible for some forms of assistance under general legislation aimed, *inter alia*, at facilitating adjustments in industry, Denmark has no legislative authority to apply adjustment assistance measures in favour of domestic industries specifically with a view to providing larger opportunities for imports of products of interest to developing countries. Measures aimed at furthering the mobility and retraining of labour are provided for in the appropriate legislation.

Federal Republic of Germany

5. The Federal Government is of the opinion that a liberal foreign trade policy together with a structural policy promoting structural changes in general terms and dispensing in principle with subsistence subsidies are the most effective propulsion forces to prepare for structural changes which are caused by increased imports. In accordance with the market-economy approach, industry generally has to cope with new economic conditions without financial assistance from the Government. Structural changes are promoted through general and preventive measures. Analyses and forecasts of industrial trends by economic research institutions are made available to industry so that developments may be recognized and the necessary adjustment measures taken. In the case of major structural changes, affecting a whole branch of industry the Federal Government makes credits available through the European Recovery Programme to facilitate the adaptation of production programmes. It is the Federal Government's growth-oriented structural policy to facilitate, through appropriate measures, the outflow of capital and migration of labour from those branches of industry in which structural changes are necessary.

Finland

6. Adjustment assistance measures are not available.

France

7. In a liberal economy, market evolution is the key factor in structural adjustments. Hence, measures of adjustment are used for internal reasons based on national economic policy and are designed to accompany changes in industry and make them socially, economically and politically less abrupt. Adjustment assistance is principally concerned, among others, with regional development, balanced development and town and country planning. Assistance in the field of employment has been strengthened in recent years. Measures available in connexion with employment policy include a National Employment Agency, a National Employment Fund and Adult Vocational Training. Financial assistance to industry is made available through a number of bodies including Regional Development Corporations, the Deposit and Consignment Office, the National Credit Bank and the Central Credit Bank for Industry, Trade and the Hotel Industry. The State plays a direct part in financing productive investments by means of loans for conversion, decentralization, adjustment, specialization and concentration of undertakings. An Institute for Industrial Development was established in 1970 for the purpose of facilitating the adjustment of medium-sized undertakings by means of technical assistance programmes.

EEC

8. The Community is mobilizing increasing efforts in the field of adjustment assistance on the basis of its regional development responsibility which calls for balance and harmony and full participation in overall development within the Community. Financial facilities are available through the European Investment Bank, the Social Fund and the orientation section of FEOGA in respect of the restructuring of agriculture. The rules of the Social Fund were amended in 1971 to make it more effective and to enable it to intervene a priori if required as a result of the implementation of Community policy. Social Fund credits amounting to 97.5 million units of account are available in 1972 to assist in the reconversion of undertakings and manpower, diversification, creation of new activities and the financing of infra-structure. A standing Committee for Employment has also been established with the object of developing a long-term employment programme within the Community. There was also a Fund under the Treaty setting up the European Coal and Steel Community which was used for reconversion of the mining sector.

Italy

9. Measures to promote adjustment in Italy are intended to improve the general internal conditions in the country and are not designed as a direct means of providing developing countries with better trade openings for their exports.

Japan

10. The measures maintained by the Japanese Government are directed at assisting small and medium-size enterprises in modernizing their management and equipment with a view to improving productivity. Since the measures notified in COM.TD/W/92/Add.2, legislation entitled "Provisional Law Concerning Measures for Small and Medium-Size Enterprises to Cope with the Changing Situation Introduced by the Generalized System of Preferences (GSP)" was introduced in 1971.

11. The object of this Law is to facilitate sound development of the national economy through the development of small and medium-size enterprises by providing for smooth conversion of activities undertaken by smaller enterprises to cope with supply and demand structure changes as a result of the implementation of the GSP. Measures available for business conversion assistance include financing, taxation and credit insurance, advisory services and vocational training.

Luxembourg

12. No instrument is available for application which would enable the authorities to intervene in matters of adjustment in the event of certain developments in the conditions governing foreign trade.

New Zealand

13. No adjustment assistance measures are employed.

Norway

14. Policy in this field is, in part, implemented by means of instruments of a general character, such as credit policies, including the State-credit institutions and partly taxation policy. There are strong links between the re-adaptation policy on the one hand and the research and development policy and the regional development policy including relocation and retraining of labour on the other. The State Guarantee Fund for Industry with a ceiling of Nkr 200 million provides financial guarantees to facilitate, inter alia, industrial adaptation and structural changes. The Institute for the Financing of Structural Re-adaptation, capitalized jointly by the State and private banks and insurance companies with a lending capacity of Nkr 500 million, finances structural re-adaptation. A Regional Development Fund administers arrangements concerning credits and grants, advisory services and surveying in the field of regional development. Interest rates are normally at market levels. Compensation for relocation of industry and commencement costs may be provided, as well as tax concessions for investment in development districts. Various measures are applied in connexion with the training and transfer of labour.

Sweden

15. The two main methods of adjustment assistance available are: (a) financial assistance to business and, (b) assistance to labour. In order to promote manpower and regional policies, business is assisted in the form of loans and the use of investment funds. A national investment bank facilitates investment projects that are aimed at rationalization, structural adjustment and development. Considering the special problems faced by the textile and clothing industry, a system was introduced, as from fiscal year 1971/72, for a trial period of three years, whereby companies within these industries could obtain financial aid for investigations concerning organizational matters, need for specialization, co-operation possibilities, etc. With regard to assistance to labour, the emphasis is on labour market information (employment service, vocational guidance, vocational rehabilitation) and on measures to promote mobility (adult training, transfer allowances). Assistance is also available in the form of temporary job creation, mainly in the form of public works, and cash assistance to unemployed persons.

Switzerland

16. As indicated in document COM.TD/W/92/Add.1, it is by virtue of the principles underlying Switzerland's economic policy that the State leaves changes in the industrial structures to the interplay of the laws of supply and demand. The policy of tariff protection in Switzerland is very moderate and the market is liberally accessible for industrial products from abroad.

United Kingdom

17. There are a number of general measures in force, including provisions to assist the diversification of industry in certain areas and the adaptation of industry to changing conditions. These are not directly related to problems

which may be caused by increasing imports from developing countries. Regional industrial policies provide for assistance to industries suffering from regional disparities in employment and economic growth. These include investment incentives such as grants, depreciation and writing-down allowances and building allowances. Under the Local Employment Acts building grants, rent allowances, loans, removal grants, operational grants and training grants are among the measures available. In this connexion financial assistance offered under regional industrial policy during the financial year 1969/70 amounted to almost £84 million.

18. The objectives of the Industrial Bill published on 11 May 1972 are to promote and sustain faster economic growth; to secure the expansion and modernization of British industry and to attack the continuing and serious problems of regional imbalance. The new measures are to operate within the same framework as previously and are designed to simplify the schemes that are on offer in the forms of capital assistance and retraining.

United States

19. The basic legislative authority for adjustment assistance for industries, firms and groups of workers is contained in the Trade Expansion Act of 1962 and in the Automotive Products Trade Act of 1965 which expired in June 1968. The purpose of the adjustment assistance programme is to offer Federal assistance to particular firms and groups of workers found to be adversely affected by increased imports until economic adjustment to the effects of the liberal trade policies set forth in the Acts is attained. Measures available include (a) technical assistance, such as managerial advice and counselling, research and development assistance and market research; (b) financial assistance, consisting of direct loans, deferred participation loans and guaranteed loans, and (c) tax assistance, in the form of an extension of the normal three-year carry back to five-year carry back of a net operating loss. The State Employment Security agency administers three types of special benefits to eligible workers; (1) cash allowances, (2) testing, counselling, training and job-placement services, and (3) cash relocation allowances for basic moving expenses when a job has been found in another city and there is no suitable job available in the worker's own city. Trade adjustment assistance is under review in the light of experience and the report of the President's Commission on International Trade and Investment Policy.

20. An "early warning" system is being developed whereby the local employment offices will alert management officials and union representatives of the services available to firms and groups of workers potentially or actually affected by increased import competition.

II. MEASURES APPLIED

Canada

21. The application of the GAAP programme facilitates the adjustment of Canadian firms to changes in the trading environment and contributes to the achievement of a situation in which it would be possible to remove restrictions in the few cases

where they exist. Since the inception of GAAP in 1968, a total of \$38,826,000 of government insurance has been provided on loans and a total of \$105,000 has been awarded as grants; no direct government loans have been made. The total assistance provided to companies under AAA has usually been between \$12 million and \$15 million of new loans annually. Since 1965, a total of \$2,032,000 in Transitional Assistance Benefit grants has been paid to displaced auto workers. Assistance payments to displaced clothing and textile workers began in June 1971.

Denmark

22. The Employment Service and Unemployment Insurance Act is aimed at furthering the mobility of labour. With regard to training of labour, the programmes for adult vocational training comprise training of semi-skilled workers, subsequent training of skilled workers etc. and retraining. The cost of these programmes in 1970/71 amounted to almost DKr 126 million.

Japan

23. Adjustment assistance measures under the 1971 Provisional Law have not been applied so far to any industrial sector. Measures applied include low-interest financing by the Smaller Enterprise Financing Corporation and the Smaller Enterprise Development Corporation as well as special measures under the System of Smaller Enterprise Credit Insurance. Under the latter, the insurance limit is twice as large as the usual amount, the rate of compensation 80 per cent (usual rate 70 per cent), and the rate of insurance two thirds of the general rate. There are also special taxation arrangements under the Law for Special Taxation Measures. The retraining of workers is also envisaged.

Sweden

24. The textile and clothing, shoe and leather and glass industries are among those which have been affected by changes in import patterns and for which adjustment assistance measures have been applied. There has also been financial assistance of various types to industry and labour. During fiscal year 1970/71 approximately US\$400 million was spent on assistance to labour and US\$125 million on assistance to industries.

United Kingdom

25. The only instances in which the United Kingdom has used legislation specifically to assist an industry to adjust to imports from developing countries were the Cotton Industry Act of 1959 and, in 1970, a more limited scheme of financial assistance for modernization and re-equipment of the cotton and allied textile industries. A dual policy of controls and incentives is used to encourage a balanced pattern of regional industrial development.

United States

26. The trade adjustment assistance programme can only be applied to deal with changes resulting from increased imports arising mainly out of trade agreement concessions. The programme is national in scope and has benefited firms or groups of workers in the steel, electronics, non-rubber and rubber-soled footwear, piano, sheet glass, automotive products, household flatware such as stainless or silver-plated, cotton textiles, organs and barbers' chairs industries. Adjustment assistance may be utilized as an alternative to import quotas, higher tariffs and other restrictive trade barriers. As of May 1972, loan and loan guarantees amounting to \$14 million and technical assistance of about \$0.5 million to firms for adjustment assistance had been approved for purposes of diversification, modernization of plant facilities or for use as working capital upon satisfying certain requirements. The technical assistance given has been mainly in the form of managerial consulting activities. To February 1972 benefit payments of \$38 million had been provided for training and relocation of labour and weekly cash readjustment allowances in connexion with adjustment assistance. There had also been fifty-eight separate cases of worker adjustment assistance resulting in findings and certifications involving approximately 25,000 workers.

III. EFFECTS OF MEASURES APPLIED

Canada

27. There have been no instances where application of adjustment assistance has been followed by the elimination of import restrictions or restraints. Whatever effects adjustment assistance measures may have had on the level of domestic production and the composition of imports from developing countries have not been quantified.

Italy

28. The Italian Government takes the view that the best method would be to leave it to the developed countries themselves to consider what the form and extent of their adjustments should be, having due regard to the special problems arising from respective internal situations, since any possible action in this direction must be closely linked with economic, political and social situations in the various developed countries.

Japan

29. There has been no occasion for assessing the effect of measures applied, since the Provisional Law of 1971 has not yet been applied to any industrial sector.

Sweden

30. It was not possible to distinguish between the use of adjustment assistance in the manner asked in the questionnaire, as different factors causing structural changes often appear simultaneously. However, during the 1960's Swedish imports

of textile and ready-made clothing from the developing countries increased at the same time as the domestic textile and clothing industry underwent considerable structural changes. Swedish imports from developing countries of products of the shoe and leather and glass industries have also increased in recent years.

United Kingdom

31. It is not possible to distinguish the effects of adjustment assistance on the level and composition of imports from other equally relevant factors such as tariff levels, improved technology, competition from synthetics and substitutes etc.

United States

32. There were no instances where prior use of adjustment assistance has been followed by measures to reduce or eliminate import restrictions. There was no indication available of the impact of the adjustment assistance extended on the level of domestic production and composition of imports from developing countries.