

GLOSSARY OF TRADE AND RELATED TERMS

Adjustment Assistance	Financial, training and re-employment technical assistance to workers and technical assistance to firms and industries to help them cope with adjustment difficulties arising from increased import competition. The objective of the assistance is usually to help an industry to become more competitive in the same line of production, or to move into other economic activities. The aid to workers can take the form of training (to qualify the affected individuals for employment in new or expanding industries), relocation allowances (to help them move from areas characterized by high unemployment to areas where employment may be available) or unemployment compensation (to tide them over while they are searching for new jobs). The benefits of increased trade to an importing country generally exceed the costs of adjustment, but the benefits are widely shared and the adjustment costs are sometimes narrowly -- and some would say unfairly -- concentrated on a few domestic producers and communities. Both imports restraints and adjustment assistance can be designed to reduce these hardships but adjustment assistance -- unlike import restraints -- allows the economy to enjoy the full benefits of lower-cost imported goods. Adjustment assistance can also be designed to facilitate structural shifts of resources from less productive to more productive industries, contributing further to greater economic efficiency and improved standards of living.
Ad Valorem Tariff	A tariff calculated as a percentage of the value of goods cleared through customs, (e.g. 15 percent ad valorem means 15 percent of the value).
American selling price (ASP)	A method of calculating U.S. import duties, under which those for certain categories of products -- benzenoid chemicals, rubber footwear, canned clams, and wool-knit gloves -- were computed by multiplying the tariff rate not by the price of the imported product, as is standard practice, but instead by the (usually much higher) price of the U.S. product with which the import competed. This typically resulted in a much higher effective tariff. The United States agreed in the Tokyo Round to phase out this practice effective in 1981.
Anti-dumping Code	A code of conduct negotiated under the auspices of GATT during the Kennedy and Tokyo Rounds of the MTN that established both substantive and procedural standards for national anti-dumping proceedings. (See also Code of Conduct and Dumping).