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Textile Industry Needs Results, Not Promises

By Augustine D. Tantillo

On April 11, the Greenville News in an editorial entitled “Ailing Textiles Receiving Help” welcomed as grand news the fact that the Bush Administration has indicated that it will unveil procedures for implementing the China textile safeguard. Three weeks later, the regulations still have not been published in the Federal Register. Moreover, there is no indication that the regulations will be published anytime soon due to opposition from influential members of the U.S. House of Representatives.

Those who hailed the safeguard news also failed to note the not so subtle nuance associated with the announcement. The U.S. government is not announcing that they would be limiting China’s exploding textile and apparel exports to the United States. That would be good news. Instead, the U.S. government is simply saying that they have finally developed a set of procedures that might pave the way for reasonable limits on Chinese exports.

Let me explain the history of the China safeguard. It was designed to protect U.S. textile manufacturers and workers from a rapid and disruptive increase of low-cost Chinese textile imports and was first negotiated as part of the Chinese/U.S. textile agreement in 1997. The China safeguard was reaffirmed as part of China’s World Trade Organization (WTO) accession agreement in 2001.

Finally, six years after this provision was first agreed to, and 16 months after China actually joined the WTO, the U.S. government has finally gotten around to announcing that it merely intends to publish procedures to implement the safeguard. This inexcusable delay on the part of our government has already resulted in enormous damage to the U.S. textile industry and its workers. While China’s exports to the U.S. grew by 117% last year, the U.S. textile and apparel industries continue to lose thousands of jobs. In fact, since President Bush took office in 2001, our industry has lost 194,000 jobs nationwide.

The Executive Branch highlighted the textile safeguard as a key selling point in the China WTO accession debate. The U.S. textile industry was told that this safeguard would prevent China’s ability to surge into the market and displace U.S. jobs. However, since

China's admittance to the WTO, the Administration has done nothing to stem the massive surge of textile imports. Does this seem like another empty promise?

Since joining the WTO on January 1, 2002, the People's Republic of China has demonstrated their manufacturing might by producing the largest export surge in the history of the U.S. textile import program. Already the single largest exporter of textile and apparel products to the U.S., China's access to our market more than doubled in 2002. Last year they exported over 5 billion square meters of textiles and apparel to the U.S., valued at over \$8 billion.

Clearly it is time for action. U.S. textile and apparel manufacturers don't need any more promises, commitments or hollow announcements about rules that should have been published two years ago. What the industry needs is results. When the U.S. government actually uses this safeguard to keep Chinese exports from totally undermining U.S. manufacturers of textiles and apparel -- that will be cause for celebration.

Hopefully, such action will come in time to save some of the nearly 1 million textile and apparel jobs that are left in this country.

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