



KEY POINTS:

“THREADBARE EXCUSES: The Textile Industry’s Campaign to Preserve Import Restraints” by Dan Ikenson, Trade Policy Analysis no. 25, October 15, 2003 (<http://www.freetrade.org/pubs/pas/tpa-025es.html>)

Textile protection hurts American consumers. Quantitative restrictions and tariffs on textile and apparel imports constitute a \$13 billion drag on the U. S. economy each year. Quotas add 10 to 50 percent to the average price paid by an American company for an imported garment. This translates into higher clothing prices for the American public.

Textile protection hurts the poor the most. The enormous costs of textile protectionism have been borne disproportionately by America’s low-income families, who spend a higher proportion of their earnings on clothes. Also, tariffs on items more likely to be consumed by lower-income earners (cotton and man-made fiber articles) are routinely 4 to 5 times larger than tariffs on similar articles made of silk.

Removing textile protection promotes national security. Textile and apparel production in one of the few viable manufacturing alternatives in many of the world’s poorest countries. Denying their exporters access to our markets keeps them poor and resentful. Hence, textile trade liberalization is a relatively easy tactic to simultaneously advance the administration’s national security and trade policy objectives.

Textile protectionism has not saved jobs. Despite decades of protectionism, jobs in the U.S. textile and apparel industries have been declining. There were 2.3 million people employed in the textile and apparel industries in 1977, 1.1 million in 2000 and only 900 thousand today. The main culprit: technology and the increased productivity that comes with it. Between 1980 and 2000 employment in the U.S. textile and apparel industries declined by 35% and 50%, respectively. But most of this decline, in both industries, is attributable to gains in productivity, which were 111% and 115% during this same period, respectively. In other words, while employment fell in both industries by no more than 50%, productivity more than doubled in both.

Textile industry’s focus on foreign barriers is a red herring. The textile industry insists that foreign barriers to their exports be removed before any further U.S. market access improvements are made. While overall U.S. export value decreased by 2% between 1999 and 2002, exports of textile products actually increased by 19% during the same period. And between the first half of 2002 and the first half of 2003, overall U.S. export value increased by 2%, while the value of textile product exports increased by 10%.

China is not the bogeyman. The notion that apparel is a commodity in which production costs are the exclusive business consideration is a myth. Even if input costs were the only or most important consideration, China would be passed over in favor of many other lower-priced producers. And putting too much of your business in one country is risky. This is especially true for China.

Quotas hurt U.S. exporters. When the U.S. maintains closed markets, other countries find it easier to adopt similar policies – policies that deprive U.S. exporters of sales opportunities.

Textile workers have not been overlooked. The point of the ATC was the gradual easing of quota restrictions. Textile manufacturing communities have had a decade to make the transition. During this time displaced textile workers have had access to government benefits not available to the millions of other US manufacturing workers who have lost their jobs in recent years.