News from U.S. Rep. John Spratt (D-SC)

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Wednesday, October 29, 2003 – For Immediate Release
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Spratt Urges Bush Administration to Preserve American Textile Jobs

WASHINGTON – U.S. Rep. John Spratt (D-SC), backed by 138 other House members in a letter to the President, today urged the Bush Administration to protect American textile jobs.

Spratt said a recent study by the American Textile Manufacturers Institute (ATMI) concluded that if the President does not act immediately to protect the textile industry, South Carolina could lose 42,000 more jobs by 2006.

"That is flat out unacceptable," said Spratt. "There are safeguards the President can use to stop the loss of jobs, and he needs to use them aggressively. Since January of 2001, the private sector has lost 3.1 million jobs, and 2.6 million of these jobs were lost in manufacturing. These are among the best jobs our economy has to offer. We have to protect these jobs before it's too late."

Spratt's letter asks the President to do three things:

1. Initiate the China Safeguard. The China safeguard will re-impose quotas on certain kinds of textile imports for up to one year if the government determines that Chinese imports have caused market disruption or threaten to impede orderly trade in U.S. textile/apparel markets.

China's exports to the U.S. textile and apparel market more than doubled in 2002, growing by 117%. China's exports continued to surge in 2003, up an additional 114% through May. The U.S, has lost 271,100 textile jobs since January 1, 2001.

"The evidence of market disruption is overwhelming. The Bush Administration should act on it by setting up quotas to hold back a flood of Chinese imports," said Spratt.

2. Reject any tariff preference levels in the Central American Free Trade Agreement and other free trade agreements. Tariff preference levels allow the countries to export a certain percentage of their textile and apparel products into this country at reduced tariff duties, even though the goods are made of materials produced outside the U.S. or the shipping countries.

3. Maintain U.S. textile tariffs in the Doha Round of trade talks. All textile and apparel import quotas are scheduled to expire on December 31, 2004. Tariffs will then be the only protection against low-wage textile imports. In an effort to get another round of trade talks going, the Bush Administration has proposed to remove tariffs as well as quotas, a step which Spratt and his colleagues vigorously oppose.

According to the ATMI study, if the President does not take these three steps, and take them now, China is poised to seize 65 to 75% of the U.S. textile and apparel market, resulting in the loss of 650,000 domestic jobs.

"If President Bush wants to protect American jobs, he has the tools at his disposal. We are calling upon him to use those tools aggressively," Spratt said. "But in truth, the three actions recommended in our letter just a starting point."

Spratt and Rep. Sue Myrick (R-NC) recently introduced a bill calling for China to quit pegging its currency and giving its exports an unfair price advantage. If China refuses to allow its currency to float with the market, the bill would impose a tariff of 27.5% on all imports coming into the U.S. from China.

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