

107TH CONGRESS  
2D SESSION

# H. J. RES. 105

Calling on the President to take all necessary steps under existing law and international trade agreements to respond to the serious injury currently being experienced by the United States textile and apparel industry, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2002

Mr. COBLE (for himself, Mr. SPRATT, Mr. NORWOOD, Mr. GRAHAM, Mr. TAYLOR of North Carolina, Mr. TAYLOR of Mississippi, Mrs. CLAYTON, Mr. EVERETT, Mr. WILSON of South Carolina, Mr. HUNTER, Mr. FROST, Mr. PRICE of North Carolina, Mr. BOUCHER, Mr. KENNEDY of Rhode Island, Mr. JONES of North Carolina, Mr. MCINTYRE, Mr. HAYES, Mr. THOMPSON of Mississippi, Mr. PALLONE, Mr. GOODE, Mr. SHOWS, Mr. CRAMER, Mr. COLLINS, Mr. WATT of North Carolina, Mr. DEAL of Georgia, Mr. MCHUGH, Mr. CLYBURN, Mr. PASCRELL, Mr. DUNCAN, Mr. CLEMENT, Ms. KAPTUR, Mr. HILLIARD, Mr. ETHERIDGE, Ms. MCKINNEY, Mr. EVANS, Mr. LEWIS of Georgia, Mr. HILLEARY, Mr. LANGEVIN, Mr. RILEY, Mr. CHAMBLISS, Mr. PICKERING, and Mr. MCGOVERN) introduced the following joint resolution; which was referred to the Committee on Ways and Means

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## JOINT RESOLUTION

Calling on the President to take all necessary steps under existing law and international trade agreements to respond to the serious injury currently being experienced by the United States textile and apparel industry, and for other purposes.

Whereas 964,000 Americans continue to be directly employed by the United States textile and apparel industry, result-

ing in nearly \$36,000,000,000 in annual compensation to workers in this sector;

Whereas the United States textile and apparel sector accounted for \$48,300,000,000 of the nation's gross domestic product (GDP) in calendar year 2001;

Whereas according to the Bureau of Labor Statistics, the textile and apparel industry was one of the most productive in the United States during the decade of the 1990s, experiencing significant productivity growth in practically all major product sectors;

Whereas the United States textile and apparel industry is a major employer in many depressed rural areas, as well as a key provider of jobs in a number of major inner-city locations, such as New York City, Los Angeles, Chicago, and Dallas;

Whereas the United States textile and apparel industry is a critical supplier to the United States Armed Forces, providing a stable domestic supply of vital items such as uniforms, parachutes, chemical and biological protective gear, and sophisticated carbon fibers necessary for missile and satellite guidance systems;

Whereas surging imports from low-wage foreign suppliers, along with massive currency devaluations by numerous major exporting countries, have combined to overwhelm trade controls established pursuant to international agreements, resulting in the most severe and prolonged economic crisis the United States textile and apparel industry has ever faced;

Whereas imports of textile and apparel products into the United States have increased by 107 percent since 1993

and totaled 32,800,000,000 square meter equivalents in calendar year 2001;

Whereas the value of imports of textile and apparel products into the United States during the 7-calendar year period ending in 2001 surged by 71 percent, and during that same period the United States accumulated a \$340,000,000,000 trade deficit in the textile and apparel sector alone, despite the fact that prices of imported garments have actually been falling;

Whereas exports of textile and apparel products from the United States are often stymied by prohibitive tariff and nontariff barriers of many countries, such as the People's Republic of China, India, and Brazil, which represent enormous untapped markets for United States textile and apparel manufacturers;

Whereas many major textile and apparel exporting countries, through illegal second-country transshipment, falsification of import documents, and mislabeling of garments, have benefited from increased shipments to the United States, valued at billions of dollars, above limits agreed upon under bilaterally negotiated international agreements;

Whereas the United States textile and apparel workforce has experienced an unprecedented level of job displacement affecting hard-working, reasonably paid textile and apparel workers in the United States, with 146,000 jobs lost in 2001 alone and 675,000 jobs lost during the 7-calendar year period ending in 2001;

Whereas 488,000 of the textile and apparel jobs lost over that 7-year period were held by women;

Whereas the substantial contraction in this industry has undermined an essential source of jobs, as well as critical health insurance benefits for women and minorities, including immigrants;

Whereas dozens of United States textile and apparel companies have been forced into bankruptcy or liquidation, and more than 200 plants in the United States in this sector have permanently closed since 1997;

Whereas although overall consumer prices in the United States rose 33 percent during the 1990's, apparel prices actually fell during that period, so that the United States textile and apparel sector experienced the first decade of deflation since the 1930s; and

Whereas many Americans recognize the need to improve the enforcement of United States trade laws and international agreements to provide an effective response to the injury that the textile and apparel industry has sustained: Now, therefore, be it

1       *Resolved by the Senate and House of Representatives*  
 2       *of the United States of America in Congress assembled,*  
 3       **SECTION 1. SHORT TITLE.**

4       This joint resolution may be referred to as the “Textile and Apparel Recognition Act”.

6       **SEC. 2. ACTION BY THE PRESIDENT.**

7       The Congress calls upon the President—

8               (1) to ensure vigorous enforcement of United  
 9       States trade laws with respect to trade practices resulting in harm to the United States textile and ap-  
 10       sulting in harm to the United States textile and ap-

1       parel industry, using all remedies available under  
2       those laws;

3           (2) to ensure vigorous enforcement of current  
4       international trade agreements with respect to the  
5       United States textile and apparel industry, including  
6       all existing safeguard remedies available to the  
7       United States textile and apparel industry under the  
8       World Trade Organization and the North American  
9       Free Trade Agreement;

10          (3) to ensure vigorous enforcement of existing  
11       quota and tariff regulations to prevent further illegal  
12       circumvention of the United States textile import re-  
13       straint program;

14          (4) to deny requests from trading partners of  
15       the United States for unilateral liberalization by the  
16       United States of its textile and apparel market other  
17       than that provided for under existing international  
18       trade agreements; and

19          (5) to implement strategies to open foreign  
20       markets so as to provide equitable access for goods  
21       exported by the United States textile and apparel in-  
22       dustry.

23   **SEC. 3. REPORTS TO CONGRESS.**

24       The President shall—

1           (1) not later than 90 days after the date of en-  
2       actment of this joint resolution, and

3           (2) not later than 1 year after such date of en-  
4       actment,

5       report to the Congress on actions taken to carry out para-  
6       graphs (1) through (5) of section 2, and on the results  
7       of those actions.

8       **SEC. 4. CURRENCY DEVALUATIONS.**

9       (a) REPORT TO CONGRESS.—Not later than 1 year  
10      after the date of enactment of this joint resolution, and  
11      not later than the end of each 1-year period thereafter,  
12      the President shall report to the Congress on the ability  
13      of the United States textile manufacturing sector to com-  
14      pete with the textile industry in other countries when for-  
15      eign currencies are devalued.

16      (b) FUTURE NEGOTIATIONS.—The President, in con-  
17      ducting negotiations to enter into trade agreements with  
18      other countries, shall take into account potential foreign  
19      currency devaluations so that such countries do not receive  
20      the benefit of reduced tariffs while at the same time mak-  
21      ing their exports more cost-competitive on the inter-  
22      national market through such currency devaluations.

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