POLITICAL SOLUTIONS FOR AN ECONOMIC DILEMMA: AN HISTORICAL PERSPECTIVE OF U.S. TEXTILE AND APPAREL LEGISLATION

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Abstract

This paper examines the U.S. textile industry’s quest for import restraints. It considers significant legislation and voting patterns in Congress during the last decades of the 20th century.

The following is an abridged version of the paper presented at the 12th International Conference, Bangkok, Thailand, May 2002.
The textile and apparel industries have traditionally been the initial sectors to be established in developing countries as they undertake economic development and seek entrée into international trade. At the same time, many developed countries have sought to maintain domestic production and employment within these industries. To these ends, both developing and developed countries have gone to great length to protect these sectors from import competition. Historically, the U.S. textile industry has continually sought protection since Congress imposed the first duty on foreign textile imports of cotton cloth in 1808. During the 1960s and 1970s increased globalization of textile and apparel production resulted in creation of excess capacity, and markets in key developed countries began to fear disruption of both their industries and markets as growth in imports began to escalate. Intense competition within this sector provided motive for developed countries to enter into bilateral agreements limiting imports from developing countries and, thereby, provide protection for their domestic industries. Simultaneously, these countries began to establish multilateral trade agreements designed to both protect domestic markets from imports surges and manage trade in a manner that would encourage developing countries to participate in world trade. Amendments to the General Agreement on Tariffs and Trade, the Short-Term Arrangement, the Long-Term Arrangement, and Multifiber Arrangements I, II, III, and IV, were (theoretically) intended to provide time for domestic industries in the developed countries to adjust to increased import competition. Over time, however, stakeholders within the U.S. textile and apparel industry became concerned with the ineffectiveness of contemporary foreign policy and sought additional protective legislation to further restrict imports (Dickerson, 1999).

In this paper, five significant bills introduced into the U.S. Congress, including the Mills Bill (1970), the Jenkins Bill (1985), the Textile and Apparel Trade Act (1987), the Omnibus Bill (1988) and the Textile, Apparel & Footwear Act of 1990, will be reviewed. These bills will be compared and contrasted with three free-trade bills that have had significant impact on the U.S. textile and apparel sectors, the North American Free Trade (1993), the Uruguay Round of the GATT/WTO (1994), and the Trade Act of 2000. States’ economic and demographic indicators will be discussed along with each bill’s objectives. In addition, legislative voting patterns and impact on supporting states will be examined. This descriptive analysis will provide baseline data for further quantitative analysis employing Kamdar and Gonzalez’s (1997, 1998) methodology for determining the extent to which legislative voting behavior has been influenced by constituency interest, special interest politics, and ideology.

References:

