

Other nontariff barriers

Because there are a number of other so-called nontariff impediments to the textile trade imposed by the United States, for the sake of freer, nondiscriminatory trade and consistency, we urge that—in addition to the ASP glove item—the various “Quantitative Import Restrictions of the United States,” as reported by the Tariff Commission in April 1968, be abolished.

Unless we take the lead, and are fully prepared, to effectively demolish our own nontariff walls, which today are far more potent and effective barriers to commerce than even the highest tariffs, we are hardly in the strongest position to persuade others to destroy their protectionist obstacles, of which there are too many.

Insofar as textiles are involved, the Commission listed only (1) the import quotas that have been in effect since 1935 on hard fiber cordage from the Philippines, (2) since 1935, on most types of raw cotton, certain cotton waste, and, since 1961, on certain cotton products produced in any stage preceding the spinning into yarn, except cotton waste, and (3) since 1962, on all cotton textiles under authority of the so-called LTA.

In addition, there is the Buy American restriction, which is applied on the national level but which is being considered by several States and even local jurisdictions.

We respectfully urge that the President's authority to eliminate the ASP be expanded to include all other American nontariff impediments to freer trade.

Repeal long-term cotton arrangements

Though import quota advocates often cite the LTA (officially the Long-Term Arrangement Regarding International Trade in Cotton Textiles) as the model for “orderly development and sharing of the American market,” and emphasize its multilateral character as indicative of a negotiated, mutually satisfactory pact to all concerned, nothing could be further from the truth.

To begin with, the LTA was the special objective of the extraordinary political pressure campaign waged by the American cotton textile sector in the Congress for many years and particularly in the presidential election of 1960. Some suspect that it was part of the “price” that the late President Kennedy paid for the support of the textile industry in his successful bid for the White House that fall.

In any event, when GATT convened a special multinational conference in Geneva in the summer of 1961 at the insistence of the United States, none of the participating countries—exporting and importing—had any illusions about the meaning of United States intentions—either the 18 invited textile nations agreed to the LTA, and its predecessor Short-Term Arrangement, or else they faced individually either administrative or legislative imposition of unilateral textile restrictions that could be harsher and more protective than the proposed LTA.

Even under these circumstances, the United States had to accept the principle of “recognizing the need to take cooperative and constructive action with a view to the development of world trade . . . such action should be designed to facilitate economic expansion and promote the development of less developed countries . . . (and) to deal with these problems in such a way as to provide growing opportunities for exports of these (cotton) products . . .”

In actual operation, however, the Department of Commerce, on behalf of the Government of the United States, has implemented the LTA by invoking only the restrictive provisions of the international pact.

As a matter of record, the United States has invoked Article 3 more often and more unsparingly than all of the 22 other signatories combined. We have called for over 250 separate “restraint levels” under Article 3 or 4, despite our stated promise to use the quota restrictions “sparingly”.

The United States, without consultation or prior agreement, has interpreted Article 3 in such a manner that, as an importing country, it can and does—on its own—determine what “market disruption” is and when it occurs. As far as the United States has been concerned, this question of “market disruption” is a numbers game; when certain imports are entered in what is believed to be “substantial” quantities by the administering officer, “restraints” are ordered. There has been no uniformity, even, about the quantity that becomes “substantial.”

With the exception of Japan, the only designated “developed exporting country”, and Italy, one of the designated “developed importing countries”, we understand that restraints have been imposed only against “developing exporting countries”. Bilateral agreements too have been “negotiated” with both Japan and Italy, as well as with most of the “developing exporting countries”.