

United States Senate

WASHINGTON, DC 20510

June 9, 2004

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20502

Dear President Bush:

We are writing to ask for your leadership and support for a growing effort to save more than half a million American textile jobs, in addition to many more textile jobs throughout the world. This effort is centered around a worldwide call for an emergency meeting of the World Trade Organization (WTO) to re-examine the fourth stage of product integration for textiles and apparel and an assessment of whether it should be postponed until 2008 or later. This initiative is already supported by textile and apparel groups from more than 36 countries, including major groups in the United States.

We believe that such a step would represent the most rational and pragmatic approach to the anticipated dislocation of some thirty million textile and apparel jobs worldwide that will result if the quotas are removed while China continues to use unfair trade practices to heavily subsidize its exports. China's unfair trade practices in the textile sector include currency manipulation, numerous direct and indirect state subsidies, export tax rebates and the widespread use of non-performing loans, many of which your Administration has frequently noted.

According to a recent ITC report on Textiles and Apparel, China is now on the verge of domination of the world's textile and apparel trade. This domination is in no small part due to the unfair trade practices described above. China has thus been able to slash prices in categories where quotas were removed by an average of 58% since January 1, 2002, and capture 60% of the U.S. import market in those categories, according to a 2003 report of the American Textile Manufacturers Institute. The U.S. textile and apparel sector, which is still the largest manufacturing employer in the United States, stands to lose almost 650,000 jobs if the scheduled elimination of textile quotas goes forward, according to our textile industry sources.

Also many of our key allies in the war on terror as well as our strategic trading partners face the prospect that millions of their textile and apparel workers could be put out on the street, when quotas are removed. Chinese domination of global textile and apparel trade would shake the economic and political stability of dozens of struggling nations. Unfair actors should not be rewarded, particularly when it risks economic and political instability on a global scale.

Mr. President, China's use of multiple, illegal and distorting trade practices was not contemplated when the phase-out was originally planned. Nor was China's domination of the

world's textile and apparel trade and the potential dislocation of tens of millions of productive workers envisioned. Such a result is surely not in the interests of the United States or the world economy. In the name of fair trade, we therefore urge your Administration to strongly support an emergency meeting of the WTO to reconsider the wisdom of allowing worldwide quotas on textile and apparel products to expire.

We thank you for your consideration of our request and look forward to receiving your response.

Sincerely,

Antony Hollings

Liz Cheney

John Edwards

Elizabeth Dole

Richard Shelby

Jeff Sessions

George Allen

John Warner

Susan Collins

Joe Miller

Albin Dunne

Sally Chumbley

Allen Ford

Barbara Boxer

Ed Kennedy

George V. Renovich

Russell D. Fitzgerald

Michael B. Eij

Frank R. Lautenberg

Hillary Rodham Clinton

Mary L. Landrieu

Byron Z. Morgan

Robert C. Byrd

Herb Kohl

Jack Reed

Charles Schumer

Sam Brown

Marco Poyser

Tom F. Kelly