

# Chronological: Annual Meeting of the American Apparel Manufacturers Association, Inc., Intercontinental Hotel Maui, 1985-05-11

Senator Daniel K. Inouye Papers

Speeches, Box SP7, Folder 3

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**news from**

# **Senator DANIEL K. INOUE**

**topic:**

ANNUAL MEETING OF THE AMERICAN APPAREL  
MANUFACTURERS ASSOCIATION, INC.

**date:**

May 11, 1985

**release date:**

9:00 AM at Hotel Intercontinental Maui

I wish to thank the officers and members of the American Apparel Manufacturers Association for the opportunity to share some thoughts on your industry, and what I believe we ought to be doing in official Washington with regard to it.

As most of you may know I was one of the co-sponsors of the legislation we enacted in the last Congress to improve the labeling of textile fiber and wool products. Even though there were several labeling and identification laws on the books, I felt they did not treat the subject in its entirety. As a consequence, it seemed to me there was some confusion when it came to enforcing and implementing them.

In this Congress I am a co-sponsor of the Textile and Apparel Trade Enforcement Act (S. 680) which is pending in the Senate Finance Committee. With 37 co-sponsors I would hope we will see some movement on that bill.

I actively support this legislation because I believe the imposition of reasonable restraints on imports is essential if we are to have stability in the market place. I am all for free trade -- up to a point. But that point ends when Uncle Sam becomes a dumping ground, or when the markets for our exports are not as free and open as our markets are to foreign imports.

I realize that the increase in our textile and apparel trade deficit is, in part, due to the strong dollar. But that alone neither explains the dramatic rise in imports, nor the decline in our exports.

Nor do I accept the explanation that our manufacturers and workers are otherwise non-competitive.

Our domestic textile industry has retooled and modernized. The productivity of our textile workers has been growing at 4 times the rate of the national industrial average. This industry can sell the whole range of products competitively in foreign markets -- in a fair trade environment. But we fail to demand from others the kind of access to the marketplace that we accord them. So we are denied the opportunity to compete.

I am afraid we don't effectively administer the programs we have to curtail the dumping of imports, either. Even though we have countervailing duty laws, bilateral agreements, and country-of-origin labeling laws, I am seriously concerned that, if we are to have stability in the market place, our laws need more "beef", and there should be additional mechanisms to ensure that they are adequately implemented and enforced.

For these reasons I have co-sponsored S. 680, and will work for its enactment.

As a great American and former Governor of New York, Al Smith, once said, "Let's take a look at the record."

- o Textile imports in March of 1984 jumped 55% over March 1983. The President put out a strong statement on textiles that Spring. He said we were going to vigorously enforce the laws; and hire more custom agents and inspectors. Now, in the Spring of 1985, The Administration is proposing to cut back 788 customs agents nation-wide.
- o In 1983, the textile industry brought a countervailing duty case against the People's Republic of China. A hearing was held at the Commerce Department. Inasmuch as the Chinese had already admitted that their dual exchange rate amounted to an export subsidy, I wondered at the time, why the Department of Commerce even had a hearing.

In any event, the textile industry withdrew its petition after a pledge from the Administration that the import program would be more "vigorously" enforced.

- o In 1980, the textile-apparel deficit was \$4 billion; in 1981, it increased to \$5.7 billion, in 1983, \$10.6 billion, and in 1984 it set a new record, \$16 billion, up over 50% from 1983 levels.

- o Today, almost one-half of all textiles and apparel sold in this country have been manufactured abroad. Because of these record-breaking deficits, 200,000 textile workers have lost their jobs. An in an industry where 65 percent of the workers are women, where 27 percent are minorities, where so many work in the rural towns and the inner city, we are talking about jobs among groups and in areas that must be preserved.

I believe a story which my good friend and yours, Senator Fritz Hollings, tells illustrates the point of these statistics.

About one hundred years ago, according to Fritz, Henry Grady, the famous southern editor, was attending a friend's funeral outside of Atlanta, Georgia. He looked down at his friend and noticed that his coat was made in Maine; and the trousers were from New Jersey. The shirtwaist was sewn in the sewing plants in downtown New York; and the shoes were from New Hampshire. The steel for the casket and the shovel was from the north woods of Vermont. And Grady concluded the only thing the South furnished for the funeral was the corpse and the hole in the ground.

Today there is a strong likelihood the deceased's suit would come from Korea; his shirt from Shanghai; his tie from India; and his shoes from Taiwan. The steel in the coffin would be Japanese, as would most of the vehicles in the funeral procession.

So, I think official Washington had better get the message before it is too late. We need to do more.

Again, I wish to thank you and extend my best wishes for a pleasant and successful annual meeting.

SPEECH DELIVERED TO: AMERICAN APPAREL MANUFACTURERS ASSN.  
Annual Meeting - May 11, 1985  
Hotel Intercontinental Maui  
Wailea, Maui

I WISH TO THANK THE OFFICERS AND MEMBERS OF THE AMERICAN APPAREL MANUFACTURERS ASSOCIATION FOR THE OPPORTUNITY TO SHARE SOME THOUGHTS ON YOUR INDUSTRY, AND WHAT I BELIEVE WE OUGHT TO BE DOING IN OFFICIAL WASHINGTON WITH REGARD TO IT.

AS MOST OF YOU MAY KNOW I WAS ONE OF THE CO-SPONSORS OF THE LEGISLATION WE ENACTED IN THE LAST CONGRESS TO IMPROVE THE LABELING OF TEXTILE FIBER AND WOOL PRODUCTS. EVEN THOUGH THERE WERE SEVERAL LABELING AND IDENTIFICATION LAWS ON THE BOOKS, I FELT THEY DID NOT TREAT THE SUBJECT IN ITS ENTIRETY. AS A CONSEQUENCE, IT SEEMED TO ME THERE WAS SOME CONFUSION WHEN IT CAME TO ENFORCING AND IMPLEMENTING THEM.

IN THIS CONGRESS I AM A CO-SPONSOR OF THE TEXTILE AND APPAREL TRADE ENFORCEMENT ACT (S. 680) WHICH IS PENDING IN THE SENATE FINANCE COMMITTEE. WITH 37 CO-SPONSORS I WOULD HOPE WE WILL SEE SOME MOVEMENT ON THAT BILL.

I ACTIVELY SUPPORT THIS LEGISLATION BECAUSE I BELIEVE THE IMPOSITION OF REASONABLE RESTRAINTS ON IMPORTS IS ESSENTIAL IF WE ARE TO HAVE STABILITY IN THE MARKET PLACE. I AM ALL FOR FREE TRADE -- UP TO A POINT. BUT THAT POINT ENDS WHEN UNCLE SAM BECOMES A DUMPING GROUND, OR WHEN THE MARKETS FOR OUR EXPORTS ARE NOT AS FREE AND OPEN AS OUR MARKETS ARE TO FOREIGN IMPORTS.

I REALIZE THAT THE INCREASE IN OUR TEXTILE AND APPAREL TRADE DEFICIT IS, IN PART, DUE TO THE STRONG DOLLAR. BUT THAT ALONE NEITHER EXPLAINS THE DRAMATIC RISE IN IMPORTS, NOR THE DECLINE IN OUR EXPORTS.

NOR DO I ACCEPT THE EXPLANATION THAT OUR MANUFACTURERS AND WORKERS ARE OTHERWISE NON-COMPETITIVE.

OUR DOMESTIC TEXTILE INDUSTRY HAS RETOOLED AND MODERNIZED. THE PRODUCTIVITY OF OUR TEXTILE WORKERS HAS BEEN GROWING AT 4 TIMES THE RATE OF THE NATIONAL INDUSTRIAL AVERAGE. THIS INDUSTRY CAN SELL THE WHOLE RANGE OF PRODUCTS COMPETITIVELY IN FOREIGN MARKETS -- IN A FAIR TRADE ENVIRONMENT. BUT WE FAIL TO DEMAND FROM OTHERS THE KIND OF ACCESS TO THE MARKETPLACE THAT WE ACCORD THEM. SO WE ARE DENIED THE OPPORTUNITY TO COMPETE.

I AM AFRAID WE DON'T EFFECTIVELY ADMINISTER THE PROGRAMS WE HAVE TO CURTAIL THE DUMPING OF IMPORTS, EITHER. EVEN THOUGH WE

HAVE COUNTERVAILING DUTY LAWS, BILATERAL AGREEMENTS, AND

*country*

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IF WE ARE TO HAVE STABILITY IN THE MARKET PLACE, OUR LAWS NEED MORE "BEEF", AND THERE SHOULD BE ADDITIONAL MECHANISMS TO ENSURE THAT THEY ARE ADEQUATELY IMPLEMENTED AND ENFORCED.

FOR THESE REASONS I HAVE CO-SPONSORED S. 680, AND WILL WORK FOR ITS ENACTMENT.

AS A GREAT AMERICAN AND FORMER GOVERNOR OF NEW YORK, AL SMITH, ONCE SAID, "LET'S TAKE A LOOK AT THE RECORD."

- o TEXTILE IMPORTS IN MARCH OF 1984 JUMPED 55% OVER MARCH 1983. THE PRESIDENT PUT OUT A STRONG STATEMENT ON TEXTILES THAT SPRING. HE SAID WE WERE GOING TO VIGOROUSLY ENFORCE THE LAWS; AND HIRE MORE CUSTOM AGENTS AND INSPECTORS. NOW, IN THE SPRING OF 1985,



THE ADMINISTRATION IS PROPOSING TO CUT BACK  
788 CUSTOMS AGENTS NATION-WIDE.

- o IN 1983, THE TEXTILE INDUSTRY BROUGHT A  
  
COUNTERVAILING DUTY CASE AGAINST THE PEOPLE'S  
  
REPUBLIC OF CHINA. A HEARING WAS HELD AT THE  
  
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- o TODAY, ALMOST ONE-HALF OF ALL TEXTILES AND APPAREL  
  
SOLD IN THIS COUNTRY HAVE BEEN MANUFACTURED ABROAD.  
  
BECAUSE OF THESE RECORD-BREAKING DEFICITS, 200,000  
  
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INDUSTRY WHERE 65 PERCENT OF THE WORKERS ARE WOMEN,  
  
WHERE 27 PERCENT ARE MINORITIES, WHERE SO MANY WORK  
  
IN THE RURAL TOWNS AND THE INNER CITY, WE ARE  
  
TALKING ABOUT JOBS AMONG GROUPS AND IN AREAS THAT  
  
MUST BE PRESERVED.

I BELIEVE A STORY WHICH MY GOOD FRIEND AND YOURS, SENATOR FRITZ HOLLINGS, TELLS ILLUSTRATES THE POINT OF THESE STATISTICS.

ABOUT ONE HUNDRED YEARS AGO, ACCORDING TO FRITZ, HENRY GRADY, THE FAMOUS SOUTHERN EDITOR, WAS ATTENDING A FRIEND'S FUNERAL OUTSIDE OF ATLANTA, GEORGIA. HE LOOKED DOWN AT HIS FRIEND AND NOTICED THAT HIS COAT WAS MADE IN MAINE; AND THE TROUSERS WERE FROM NEW JERSEY. THE SHIRTWAIST WAS SEWN IN THE SEWING PLANTS IN DOWNTOWN NEW YORK; AND THE SHOES WERE FROM NEW HAMPSHIRE. THE STEEL FOR THE CASKET AND THE SHOVEL TO DIG THE GRAVE WERE FROM PITTSBURGH; AND THE HANDLE FOR THE SHOVEL WAS FROM THE NORTH WOODS OF VERMONT. AND GRADY CONCLUDED THE ONLY THING THE SOUTH FURNISHED FOR THE FUNERAL WAS THE CORPSE AND THE HOLE IN THE GROUND.

TODAY THERE IS A STRONG LIKELIHOOD THE DECEASED'S SUIT  
WOULD COME FROM KOREA; HIS SHIRT FROM SHANGHAI; HIS TIE FROM  
INDIA; AND HIS SHOES FROM TAIWAN. THE STEEL IN THE COFFIN  
WOULD BE JAPANESE, AS WOULD MOST OF THE VEHICLES IN THE  
FUNERAL PROCESSION.

SO, I THINK OFFICIAL WASHINGTON HAD BETTER GET THE MESSAGE  
BEFORE IT IS TOO LATE. WE NEED TO DO MORE.

AGAIN, I WISH TO THANK YOU AND EXTEND MY BEST WISHES FOR  
A PLEASANT AND SUCCESSFUL ANNUAL MEETING.