

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

2

**HOUSE RESOLUTION 341
Committee Substitute Favorable 4/13/05**

Sponsors:

Referred to:

February 22, 2005

1 A HOUSE RESOLUTION URGING THE COMMITTEE ON THE
2 IMPLEMENTATION OF TEXTILE AGREEMENTS TO APPROVE THE
3 SAFEGUARD PETITIONS FILED BY THE UNITED STATES GOVERNMENT
4 AND THE UNITED STATES TEXTILE INDUSTRY.

5 Whereas, the World Trade Organization agreement placing quotas on
6 imported textile and apparel products expired on January 1, 2005; and

7 Whereas, since the expiration of those quotas there has been a surge of textile
8 and apparel imports into the United States, in particular imports from China; and

9 Whereas, independent studies and polling from the United States importing
10 and retailing community show that China could capture from fifty to ninety percent total
11 United States market share in textiles and apparel in short order unless the United States
12 government imposes safeguards; and

13 Whereas, the preliminary monitoring data on textile and apparel imports
14 compiled by U.S. Department of Commerce shows huge increases in the quantity of
15 imports from China for the first quarter of 2005 in many product categories including an
16 increase of 1,521% in the quantity of cotton trousers, a 1,257% increase in the quantity
17 of cotton shirts, and a 308% increase in the quantity of underwear; and

18 Whereas, this increase in imports of textiles and apparel has disrupted the
19 United States textile market; and

20 Whereas, since January 1, 2005, there have been an additional 14 plant
21 closings in the United States, three of which were in North Carolina; and

22 Whereas, the United States government, as of April 6, 2005, has self-initiated
23 a number of safeguard actions against Chinese imports; and

24 Whereas, the American textile industry has filed an additional seven petitions
25 for safeguard protections; and

26 Whereas, the People's Republic of China is a signatory to the rules set by the
27 World Trade Organization governing fair trade between sovereign nations and that that
28 set of rules allows for the implementation of textile-specific safeguards against imports
29 from China on the basis of market disruption or threat thereof; and

1 Whereas, exporters of textile products from the People's Republic of China
2 have benefited from practices specifically prohibited by the World Trade Organization,
3 including government subsidies, intellectual property piracy, tax rebates, and currency
4 manipulation; and

5 Whereas, these illegal and unfair practices have enabled Chinese producers to
6 undercut world manufacturers with artificially low prices; and

7 Whereas, the American textile and apparel industry is the most innovative,
8 efficient, and productive in the world, well able to compete within the sphere of
9 legitimate, lawful global trade; and

10 Whereas, the American textile and apparel industry is crucial to the defense
11 of the nation, providing over 8,000 separate items to the Armed Forces of the United
12 States, the ability to do so being immediately threatened by predatory Chinese trade
13 practices; and

14 Whereas, over 100,000 workers in North Carolina are employed in the textile
15 and apparel industry and depend on fair trade policies and practices for their continued
16 employment; and

17 Whereas, since the phase out of quotas began in 1995, North Carolina has
18 experienced at least 290 plant closings or major layoffs in the textile and apparel
19 industry resulting in approximately 60,000 persons losing their jobs; and

20 Whereas, the government of the People's Republic of China, in joining the
21 World Trade Organization, explicitly agreed to desist from illegal trade strategies and to
22 accept safeguard provisions in the event the disruption, or the threat of disruption to, of
23 the American textile and apparel market could be shown; Now, therefore,
24 Be it resolved by the House of Representatives:

25 **SECTION 1.** The House of Representatives commends the United States
26 government for initiating safeguard actions to protect the nation's textile industry.

27 **SECTION 2.** The House of Representatives strongly urges and requests the
28 Committee on the Implementation of Textile Agreements to enact the safeguard
29 provisions on textile and apparel categories on the basis of market disruption as
30 petitioned by the American textile industry and as petitioned by the United States
31 government.

32 **SECTION 2.** The Principal Clerk shall transmit a certified copy of this
33 resolution to the Committee on the Implementation of Textile Agreements and to North
34 Carolina's congressional delegation.

35 **SECTION 3.** This resolution is effective upon adoption.