

WITHDRAWAL SHEET

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1. cable	101007Z DEC 81 (w/notations), 3p	12/10/81	B1

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- B-7d Release could reasonably be expected to disclose the identity of a confidential source [(b)(7)(D) of the FOIA].
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C. Closed in accordance with restrictions contained in donor's deed of gift.

DATE: 1/6/82

TO: Jim Cicconi

FYI from JAB.

FROM: Katherine Camalier
Office of James A. Baker, III
White House/West Wing
X 6797



The President Pro Tempore
UNITED STATES SENATE

December 30, 1981

Hon. James A. Baker
Assistant to the President
Chief of Staff
The White House
Washington, DC 20500

*115 R.F., Special Letter File
+ Xerox to Cicconi?
yes in all -*

Dear Jim:

I am writing to express my appreciation to you for the splendid work you did in connection with the implementation of the President's commitment on textiles which he made during the campaign in 1980.

The attached clipping indicates some textile plants that J.P. Stevens is closing. I am told the chief reason is the massive imports that have come in from foreign countries.

Thanks again for all you did to help us on this matter which is so vital to the economy not only in my state but in the entire nation.

With best wishes,

Sincerely,

A handwritten signature in cursive script that reads "Strom Thurmond".

Strom Thurmond

ST/s

J.P. Stevens To Close Plant In Taylors

Associated Press

GREENVILLE — J.P. Stevens & Co. Inc. will close its Taylors, S.C., No. 1 plant early next year as part of a companywide redeployment of assets, a company official said Monday.

The Greenville County plant, which makes pillow cases and sheets, employed 385 people until layoffs began earlier this year. There were 131 employees left at the plant at the end of November, said Ron Copey, Stevens spokesman.

Stevens announced last August that it would redeploy assets and take a \$41.8 million after tax charge against third quarter earnings as

part of a "comprehensive plan for improving profitability."

The closing of the Taylors plant "is a major part of the redeployment of assets," Copey said today. "A lot of it (the redeployment) is consolidation, so it's an integral part of that program."

"The No. 1 plant is a sheet operation and we're consolidating that operation over at the Clemson plant," he said.

The employees at the Taylors plant "are going to be offered the opportunity to relocate at any one of the plants where they are qualified and where there is an opening," Copey said. But at the Taylors plant

"at the end of September there were 149 in layoff status and 236 employed. At the end of November there were 121 employed."

Copey said it is Stevens' policy to provide severance pay to all laid-off employees.

He said he did not know of any other plants scheduled to be closed as part of the redeployment. "Taylors No. 1 is the last one that I'm aware of."

"You can't ever say anything is final. In a couple of months a decision could be made to close a plant," Copey said.

So far this year Stevens has an-

nounced the closing of at least four plants in South Carolina and one in North Carolina, affecting 1,985 employees.

In South Carolina, Stevens has announced the closing of:

- ✓ Republic plants No. 1 and 2 in Great Falls, with 800 workers;
- ✓ Apache Plant in Greer with 275 employees;
- ✓ Jonesville Plant in Jonesville with 225 employees;
- ✓ Taylors No. 1 with 385 employees.

In North Carolina, Stevens announced the closing of the Shelby plant with 300 employees.

From - Carroll Campbell

Toss

TEXTILE IMPORTS: POLITICAL IMPACT OF REAGAN ADMINISTRATION ACTIONS

In last November's election, the South went overwhelmingly for Ronald Reagan. With the exception of Carter's home state of Georgia, every southern state chose Ronald Reagan.

Why? One central factor that cannot -- or should not -- be ignored is the support of the textile industry, support that was based directly on candidate Reagan's written assurances to Senator Strom Thurmond and Congressman Carroll Campbell and verbal assurances in a speech in Columbia, S.C., that a Reagan Administration would stem the devastating flow of foreign imports that threatens the very survival of the American textile industry and its 2-1/4 million workers.

And what has happened in the 8-plus months of the Reagan Administration?

Item: Textile/apparel imports are expected to set record levels in 1981. According to Commerce Department figures released Thursday, textile mill product imports in October registered a massive 57% increase over October, 1980, and a 21% gain from last month's levels. While textile/apparel imports have grown by an unacceptable average of 8% annually over the last decade, they are up a staggering 17% this year. For the first three quarters of 1981, mill product imports were up 27% over 1980.

Item: The textile and apparel trade deficit will approach \$6 billion this year, 20% higher than the 1978 record of \$5 billion and about 40% higher than last year's \$4.1 billion.

Item: The total number of unemployed in textiles and apparel is 257,000 today, compared with 234,000 a year ago. Another 162,000 textile workers are on short time this year, compared with 120,000

last year. The current unemployment rate in textiles is 13.8% while in apparel it is 11.7%, both significantly above the national average. About 20% of the total textile/apparel workforce is either unemployed or on short time, and more than 150,000 of them have lost their jobs directly because of imports as proved by the fact that they have qualified for aid under the Federal Trade Adjustment Assistance Program.

Item: The People's Republic of China, which was not a factor in the textile import problem until last year, is literally flooding our markets now. Consider the following:

<u>Category</u>	<u>Chinese Exports to U.S. (Square Yards)</u>	
	<u>1980</u>	<u>1981</u>
315 Print Cloths (for 9 mos.)	50,478,483	86,714,203 (up 72%!))
320 Print Cloths	11,233,818	56,547,948 (annualized)
326 Cotton Broadcloth	0	9,208,639 (1st 9 mos.)

The potential for PRC imports is practically unlimited in the absence of strong measures.

In short, the textile/apparel industry, which provides 1 in every 9 American manufacturing jobs, is clearly in much worse shape after 8 months of the Reagan Administration.

Textile management and workers are asking why. For instance, an unemployed textile worker in Chesnee, S.C., who considers herself a Republican, called Congressman Campbell to express concern over textile plant closings in the area and to say that she has never heard so many people -- scared people -- criticizing the President and the Congressman.

Politically, it's a disastrous situation. Textiles and apparel are a significant employer in almost every state, but the industry is the largest provider of jobs in manufacturing in South Carolina,

North Carolina, Georgia, Alabama, Tennessee and Virginia -- home of many of the Republicans and Boll Weevil Democrats who have provided key support for Reagan programs -- as well as Pennsylvania, New York, New Jersey, Massachusetts and California and cities including New York, Miami, Los Angeles, Philadelphia and Atlanta.

The Administration must understand that congressional seats are won and lost in many, many districts on the basis of textile industry support, and if the current import situation persists, we fully expect to see Republican and Boll Weevil seats lost in 1982. With the industry desperate, textile district Congressmen are going to have to vote their districts and it will be at the expense of Reagan initiatives.

The key instrument in reversing the burgeoning flow of textile and apparel imports and solving this human, economic and political problem is the Multifiber Arrangement, the umbrella international agreement which provides the guidelines by which bilateral textile quota agreements are negotiated. The MFA is currently being renegotiated and, quite frankly, signals the industry has received from U.S. negotiators are bad.

Far from fulfilling candidate Reagan's pledge to strengthen the MFA by "relating import growth from all sources to domestic market growth" -- which was a major campaigning point in the South and was taken as a firm commitment by the industry -- negotiators seem to have no direction from the White House to work toward this goal. From well-publicized remarks by Treasury Secretary Regan at the Cancun summit to Trade Ambassador Brock's reported comments that the U.S. could live with a simple renewal of the MFA, signals are that the Campbell and Thurmond letters and the Columbia speech represented nothing more than empty campaign promises.

While the ideal solution to this problem would be to fight for and win an MFA that would limit specifically growth of imports from all sources to growth of the domestic market, it is recognized that a single country cannot dictate all the terms of a multilateral agreement. Nevertheless, the U.S. should try to strengthen its bargaining position in Geneva by giving more support to the stronger EEC MFA renewal position.

As a bottom line request, however, the industry would obtain from the government a commitment finally, whether it be an amendment to the MFA or to the protocol or otherwise, to limit the growth of imports from all sources, including the PRC whether or not it becomes a signatory to the MFA, to 1 to 1-1/2 percent per year which is consistent with the President's commitment to relate import growth to domestic market growth.

We realize that the goal is free trade, but we do not believe that anyone in this Administration is naive enough to believe that such a goal is achievable in total. For us to engage in a free trade stance hoping that other nations, including Communist nations like the PRC, will follow suit is very much like former President Carter's proposals for unilateral disarmament hoping that other nations would respond in a like manner.

December 8 meeting with James Baker on Textile Imports --
Proposed participants

Robert E. Coleman	President, American Textile Manufacturers Institute (ATMI); Chairman of the Board, Riegel Textile Corporation, Greenville, SC
William A. Klopman	First Vice President, ATMI; Chairman and Chief Executive Officer, Burlington Industries, Greensboro, NC
James A. Chapman, Jr.	Second Vice President, ATMI; President, Inman Mills, Inman, SC
James H. Martin, Jr.	Member ATMI Board of Directors, Chairman ATMI International Trade Committee; Chief Executive Officer, Ti-Caro, Gastonia, NC
Roger Milliken	Member ATMI Board of Directors; President, Milliken & Company, Spartanburg, SC
W. Ray Shockley	Executive Vice President, ATMI, Washington, D.C.
Senator Strom Thurmond (R-SC)	
Congressman Carroll A. Campbell, Jr. (R-SC)	

TEXTILE INDUSTRY MEETINGS
WITH REAGAN ADMINISTRATION OFFICIALS

Transition

Edwin Meese with Roger Milliken and Ray Shockley.

Ed Harper and Ray Waldmann with William C. Battle and Ray Shockley.

Lee Atwater with Roger Milliken, William C. Battle and Ray Shockley.

Since Inauguration

Edwin Meese with Roger Milliken.

Secretary Baldrige and Deputy Secretary Wright with William A. Klopman, Stuart Green, Ellis E. Meredith and Ray Shockley.

Ambassador Brock (who spoke at the American Textile Manufacturers Institute annual meeting in April 1981 and to the American Apparel Manufacturers Association) with members of the textile/apparel groups.

Ambassador Brock with Congressmen Carroll Campbell (R-SC) and James Broyhill (R-NC).

Peter Murphy, Chief Textile Negotiator, with key textile state congressional representatives on a regular basis.

At least 3 or 4 meetings with subcabinet officials by members of the different textile/apparel groups on a number of occasions.

Meetings on this subject have also been held with President Reagan by Members of Congress including Senators Strom Thurmond, Howard Baker and Jesse Helms.

RONALD REAGAN

September 3, 1980

The Honorable Strom Thurmond
209 Russell Senate Office Building
Washington, D. C. 20510

Dear Strom:

The fiber/textile/apparel manufacturing complex provides 2.3 million vitally needed American jobs, including a high percentage of female and minority employees. As President, I shall make sure that these jobs remain in this country.

The Multifiber Arrangement (MFA), which is supposed to provide orderly international trade in fibers, textiles, and apparels, was first negotiated under a Republican Administration. The MFA expires at the end of 1981 and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal.

Sincerely,



RONALD REAGAN



REAGAN for PRESIDENT

1828 L Street, N.W.
Suite 201
Washington, D.C. 20036
202/861-5000

January 18, 1980

Congressman Carroll A. Campbell Jr.
1723 Longworth House Office Building
Washington, D.C. 20515

Dear Carroll:

I share your concern for the well-being and continued viability of the American textile-apparel-fiber industry, and its more than two million workers. I want to pledge my strong support for renewal of the Multifiber Arrangement, and for such other actions which will enhance the international competitive position of the industry.

The MFA has brought a vital measure of order to textile trade by setting a framework for bilateral agreements establishing quotas for imports from developing, low-wage nations. The instrument is not perfect, but its renewal is imperative. My administration would seek MPA renewal, hopefully in a strengthened form. We would consider, for instance, keying import growth to the growth of the American market. We should explore the possibility of setting global quotas or guidelines. We would bargain for the tightest possible bilateral agreements, particularly with the Peoples Republic of China. With developing countries relying on textile exports to help them cover rising oil costs, this MFA renegotiation will be even more difficult than it was in 1977. We need a strong President, who looks to the needs of this country, to handle negotiations.

The textile industry, of course, would also benefit from incentive-oriented business initiatives which I support, such as accelerated depreciation and new tax deductions

designed to encourage job-creating capital formation. Business productivity and modernization must be stimulated, and we should look to our tax laws to provide incentives for growth.

The textile industry is an integral part of South Carolina's and the nation's economy. I look forward to working with you to keep the industry sound.

Sincerely,


RONALD REAGAN

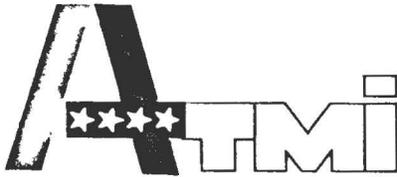
THE WHITE HOUSE
WASHINGTON

1/11/82

Jim:

FYI, JAB has seen.

KC



AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC.
1101 CONNECTICUT AVENUE, N.W., SUITE 300, WASHINGTON, D.C. 20036

TWX: 710-822-9489

TEL: 202/862-0500

Reply to:

Robert E. Coleman
President
Riegel Textile Corporation
800 Green Gate Park
25 Woods Lake Road
Greenville, SC 29607

December 21, 1981

Dear Mr. Baker:

Thank you for listening to us on the textile/apparel trade issue. The meeting with Senator Thurmond, Congressman Carroll Campbell, and some of the officers and directors of ATMI was most interesting and encouraging to me. All of us from the industry were impressed with your knowledge of the major issues, and your willingness to listen gave us some added hope.

The letters which you then sent to Strom and Carroll were great—the most positive support that we had yet received.

It now appears that agreement will be reached on an MFA soon. The U.S. position did move toward the E.E.C. position which should put our negotiators in a stronger position from which to negotiate new bilateral agreements in '82.

We still face many tough problems but it is reassuring to know that President Reagan and you will seek fair trade agreements. In my opinion, the 2.7 million people whose livelihood depends on the fiber/textile/apparel industrial complex deserve that type of support from their government.

I hope you have a Merry Christmas and a great '82.

Best regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. E. Coleman".

REC:bc

cc: Mr. Lee Atwater

Mr. J. A. Baker, III
Chief of Staff and Assistant to the President
The White House
Washington, D. C. 20500

CARROLL A. CAMPBELL, JR.
4TH DISTRICT, SOUTH CAROLINA

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:

COMMERCE, JUSTICE, AND STATE, THE
JUDICIARY AND RELATED AGENCIES

TREASURY, POSTAL SERVICE,
GENERAL GOVERNMENT

LEGISLATIVE BRANCH



Congress of the United States
House of Representatives
Washington, D.C. 20515

PLEASE RESPOND TO
ADDRESS CHECKED

WASHINGTON OFFICE:

ROOM 408
CANNON HOUSE OFFICE BUILDING
202-225-6030

DISTRICT OFFICES:

P.O. Box 10183, FEDERAL STATION
GREENVILLE, SOUTH CAROLINA 29603
803-232-1141

P.O. Box 1330
SPARTANBURG, SOUTH CAROLINA 29304
803-582-6422

December 7, 1981

TEXTILE IMPORTS

*Checked
For your files
12/22
msf*

In the first eight months of the Reagan Administration, textile mill product ~~are~~ ^{IMPORTS} are up 27%, the textile and apparel trade deficit is expected to set a new record, unemployment caused directly by imports (as measured by qualification under the Trade Adjustment Assistance Program) stands at 150,000, and the unemployment rate in the textile industry is 13.8%.

Two Reagan campaign letters indicated that a Reagan Administration would stem the devastating flow of foreign imports that threatens the very survival of the American textile industry and its 2-1/4 million workers. Instead, the industry, which provides 1 in every 9 American manufacturing jobs, is clearly in much worse shape after 8 months of the Reagan Administration.

Imports are stealing textile jobs and closing American plants. The People's Republic of China, which was not a factor in the textile import problem until last year, is literally flooding our markets now. And the Multifiber Arrangement, the umbrella international agreement which provides guidelines by which textile quota treaties are negotiated, is not being strengthened.

Unless the textile industry sees some remedial action and an indication that the campaign promise will be kept, I predict the loss of a significant number of Southern Republican and Boll Weevil congressional seats, and a concurrent weakening of Reagan support in Congress.

Carroll Campbell

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Dear Strom:

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The textile industry, of course, would also benefit from incentive-oriented business initiatives which I support, such as accelerated depreciation and new tax deductions

designed to encourage job-creating capital formation. Business productivity and modernization must be stimulated, and we should look to our tax laws to provide incentives for growth.

The textile industry is an integral part of South Carolina's and the nation's economy. I look forward to working with you to keep the industry sound.

Sincerely,


RONALD REAGAN

JAB

THE WHITE HOUSE
WASHINGTON

For your use
if and when
Brock calls
you.

JC

Dear Carroll:

In follow up to our recent conversations, I want to emphasize the importance that President Reagan attaches to the textile import question. In this regard, and in the domestic market, the President has instructed the U.S. negotiators in Geneva to strengthen the U.S. proposal presented in Geneva on the renewal of the MFA.

This Administration will make every effort to satisfactorily conclude an MFA that will allow us to relate total import growth to the growth in the domestic textile and apparel market. I want to reaffirm that we shall work to achieve that goal.

Dear Carroll:

In follow up to our recent conversations, I want to emphasize the importance that President Reagan attaches to the textile import question. In this regard, and in the domestic market, the President has instructed the U.S. negotiators in Geneva to strengthen the U.S. proposal presented in Geneva on the renewal of the MFA.

This Administration will make every effort to satisfactorily conclude an MFA that will allow us to relate total import growth to the growth in the domestic textile and apparel market. I want to reaffirm that we shall work to achieve that goal.

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

MEMORANDUM

December 10, 1981

For: Craig Fuller
From: Dennis Whitfield
Subject: Attached Cable on MFA Negotiations

Craig:

I have just received the attached cable on the MFA negotiations from Geneva. Ambassador Brock asks that you get this to Jim Baker as quickly as possible for his review and best assessment. Ambassador Brock wishes for Jim Baker to call him in Paris today at the Intercontinental Hotel (Tel: 260-3780) between 11:30am and 1:45pm, Washington Time.

Attachment

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

It is the position of the Reagan Administration that the Multifiber Arrangement, now being negotiated for renewal, be changed in the protocol or otherwise to provide for negotiation of bilateral agreements with all MFA nations, including new starters, that in total would not allow the growth of imports to exceed the growth of the domestic textile/ apparel market." Further, it is the position of the Reagan Administration that imports from all nations whether participants in the MFA or not be counted in the total allowable imports.

delivered



Dear Carroll:

In follow up to our recent conversations, I want to emphasize the importance that President Reagan attaches to the textile import question. [In this regard, and in the domestic market, ^{the new global market situation}] the President has instructed the U.S. negotiators in Geneva to strengthen the U.S. proposal presented in Geneva on the renewal of the MFA.

This Administration will make every effort to satisfactorily conclude an MFA that will allow us to relate total import growth to the growth in the domestic textile and apparel market. ^{The President has authorized me to} ~~I want to~~ reaffirm that we shall work to achieve that goal.

225-6038

Congressman A.
408 Cannon H. CB.
22515



~~Not "non-negotiable"~~

James - Baker

~~James~~ Secretary, Asst to P & Chief of Staff

James J. Baker
Chief of Staff and
Assistant to the President

10-14 votes

Jim

For your approval
then copy

- Try to find way to salvage MFA
- Disruption w/o MFA
- Can PRC be included in MFA

For your approval - copied only
memo -

aa

THE WHITE HOUSE

WASHINGTON

December 8, 1981

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Textile Imports

During your meeting this afternoon with Senator Thurmond and textile industry leaders, the main subject discussed will be the severe effect textile imports are having on the American textile industry.

The industry employs two million people and is the largest manufacturing employer in six southern states.

The industry claims it is "clearly in much worse shape after eight months of the Reagan Administration." Imports are rising dramatically: they've increased 57% over October 1980, and the industry claims a 21% increase over last month's levels. Claimed figure for unemployment in textiles and apparel is 257,000, or a rate of 13.8% in textiles and 11.7% in apparel. Imports from the PRC are apparently a new and growing problem.

The industry is leaning heavily on campaign commitments made by the President to strengthen the multifibre arrangement by relating import growth to domestic market growth. They feel Brock and Regan are moving away from that commitment.

I would suggest a short talk with Brock about this in advance of the meeting if you have the time.

For Your MEETING This AFTERNOON with THURMOND
GROUP - 12/8 MOT

TEXTILE IMPORTS: POLITICAL IMPACT OF REAGAN ADMINISTRATION ACTIONS

In last November's election, the South went overwhelmingly for Ronald Reagan. With the exception of Carter's home state of Georgia, every southern state chose Ronald Reagan.

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December 8 meeting with James Baker on Textile Imports --
Proposed participants

Robert E. Coleman	President, American Textile Manufacturers Institute (ATMI); Chairman of the Board, Riegel Textile Corporation, Greenville, SC
William A. Klopman	First Vice President, ATMI; Chairman and Chief Executive Officer, Burlington Industries, Greensboro, NC
James A. Chapman, Jr.	Second Vice President, ATMI; President, Inman Mills, Inman, SC
James H. Martin, Jr.	Member ATMI Board of Directors, Chairman ATMI International Trade Committee; Chief Executive Officer, Ti-Caro, Gastonia, NC
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RONALD REAGAN

September 3, 1980

The Honorable Strom Thurmond
209 Russell Senate Office Building
Washington, D. C. 20510

Dear Strom:

The fiber/textile/apparel manufacturing complex provides 2.3 million vitally needed American jobs, including a high percentage of female and minority employees. As President, I shall make sure that these jobs remain in this country.

The Multifiber Arrangement (MFA), which is supposed to provide orderly international trade in fibers, textiles, and apparels, was first negotiated under a Republican Administration. The MFA expires at the end of 1981 and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal.

Sincerely,



RONALD REAGAN



REAGAN for PRESIDENT

1828 L Street, N.W.
Suite 201
Washington, D.C. 20036
202/861-5000

January 18, 1980

Congressman Carroll A. Campbell Jr.
1723 Longworth House Office Building
Washington, D.C. 20515

Dear Carroll:

I share your concern for the well-being and continued viability of the American textile-apparel-fiber industry, and its more than two million workers. I want to pledge my strong support for renewal of the Multifiber Arrangement, and for such other actions which will enhance the international competitive position of the industry.

The MFA has brought a vital measure of order to textile trade by setting a framework for bilateral agreements establishing quotas for imports from developing, low-wage nations. The instrument is not perfect, but its renewal is imperative. My administration would seek MPA renewal, hopefully in a strengthened form. We would consider, for instance, keying import growth to the growth of the American market. We should explore the possibility of setting global quotas or guidelines. We would bargain for the tightest possible bilateral agreements, particularly with the Peoples Republic of China. With developing countries relying on textile exports to help them cover rising oil costs, this MFA renegotiation will be even more difficult than it was in 1977. We need a strong President, who looks to the needs of this country, to handle negotiations.

The textile industry, of course, would also benefit from incentive-oriented business initiatives which I support, such as accelerated depreciation and new tax deductions

designed to encourage job-creating capital formation. Business productivity and modernization must be stimulated, and we should look to our tax laws to provide incentives for growth.

The textile industry is an integral part of South Carolina's and the nation's economy. I look forward to working with you to keep the industry sound.

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It is the position of the Reagan Administration that the Multifiber Arrangement, now being negotiated for renewal, be changed in the protocol or otherwise to provide for negotiation of bilateral agreements with all MFA nations, including new starters, that in total would not allow the growth of imports to exceed the growth of the domestic textile/apparel market. [Further, it is the position of the Reagan Administration that imports from all nations whether participants in the MFA or not be counted in the total allowable imports.]

Nicki McNamée

TEXTILE IMPORTS: POLITICAL IMPACT OF REAGAN ADMINISTRATION ACTIONS

In last November's election, the South went overwhelmingly for Ronald Reagan. With the exception of Carter's home state of Georgia, every southern state chose Ronald Reagan.

Why? One central factor that cannot -- or should not -- be ignored is the support of the textile industry, support that was based directly on candidate Reagan's written assurances to Senator Strom Thurmond and Congressman Carroll Campbell and verbal assurances in a speech in Columbia, S.C., that a Reagan Administration would stem the devastating flow of foreign imports that threatens the very survival of the American textile industry and its 2-1/4 million workers.

And what has happened in the 8-plus months of the Reagan Administration?

Item: Textile/apparel imports are expected to set record levels in 1981. According to Commerce Department figures released Thursday, textile mill product imports in October registered a massive 57% increase over October, 1980, and a 21% gain from last month's levels. While textile/apparel imports have grown by an unacceptable average of 8% annually over the last decade, they are up a staggering 17% this year. For the first three quarters of 1981, mill product imports were up 27% over 1980.

Item: The textile and apparel trade deficit will approach \$6 billion this year, 20% higher than the 1978 record of \$5 billion and about 40% higher than last year's \$4.1 billion.

Item: The total number of unemployed in textiles and apparel is 257,000 today, compared with 234,000 a year ago. Another 162,000 textile workers are on short time this year, compared with 120,000

last year. The current unemployment rate in textiles is 13.8% while in apparel it is 11.7%, both significantly above the national average. About 20% of the total textile/apparel workforce is either unemployed or on short time, and more than 150,000 of them have lost their jobs directly because of imports as proved by the fact that they have qualified for aid under the Federal Trade Adjustment Assistance Program.

Item: The People's Republic of China, which was not a factor in the textile import problem until last year, is literally flooding our markets now. Consider the following:

<u>Category</u>	<u>Chinese Exports to U.S. (Square Yards)</u>	
	<u>1980</u>	<u>1981</u>
315 Print Cloths (for 9 mos.)	50,478,483	86,714,203 (up 72%!)
320 Print Cloths	11,233,818	56,547,948 (annualized)
326 Cotton Broadcloth	0	9,208,639 (1st 9 mos.)

The potential for PRC imports is practically unlimited in the absence of strong measures.

In short, the textile/apparel industry, which provides 1 in every 9 American manufacturing jobs, is clearly in much worse shape after 8 months of the Reagan Administration.

Textile management and workers are asking why. For instance, an unemployed textile worker in Chesnee, S.C., who considers herself a Republican, called Congressman Campbell to express concern over textile plant closings in the area and to say that she has never heard so many people -- scared people -- criticizing the President and the Congressman.

Politically, it's a disastrous situation. Textiles and apparel are a significant employer in almost every state, but the industry is the largest provider of jobs in manufacturing in South Carolina,

North Carolina, Georgia, Alabama, Tennessee and Virginia -- home of many of the Republicans and Boll Weevil Democrats who have provided key support for Reagan programs -- as well as Pennsylvania, New York, New Jersey, Massachusetts and California and cities including New York, Miami, Los Angeles, Philadelphia and Atlanta.

The Administration must understand that congressional seats are won and lost in many, many districts on the basis of textile industry support, and if the current import situation persists, we fully expect to see Republican and Boll Weevil seats lost in 1982. With the industry desperate, textile district Congressmen are going to have to vote their districts and it will be at the expense of Reagan initiatives.

The key instrument in reversing the burgeoning flow of textile and apparel imports and solving this human, economic and political problem is the Multifiber Arrangement, the umbrella international agreement which provides the guidelines by which bilateral textile quota agreements are negotiated. The MFA is currently being renegotiated and, quite frankly, signals the industry has received from U.S. negotiators are bad.

Far from fulfilling candidate Reagan's pledge to strengthen the MFA by "relating import growth from all sources to domestic market growth" -- which was a major campaigning point in the South and was taken as a firm commitment by the industry -- negotiators seem to have no direction from the White House to work toward this goal. From well-publicized remarks by Treasury Secretary Regan at the Cancun summit to Trade Ambassador Brock's reported comments that the U.S. could live with a simple renewal of the MFA, signals are that the Campbell and Thurmond letters and the Columbia speech represented nothing more than empty campaign promises.

While the ideal solution to this problem would be to fight for and win an MFA that would limit specifically growth of imports from all sources to growth of the domestic market, it is recognized that a single country cannot dictate all the terms of a multilateral agreement. Nevertheless, the U.S. should try to strengthen its bargaining position in Geneva by giving more support to the stronger EEC MFA renewal position.

As a bottom line request, however, the industry would obtain from the government a commitment finally, whether it be an amendment to the MFA or to the protocol or otherwise, to limit the growth of imports from all sources, including the PRC whether or not it becomes a signatory to the MFA, to 1 to 1-1/2 percent per year which is consistent with the President's commitment to relate import growth to domestic market growth.

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