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## **Limits on Chinese Imports Harm Low-Income Americans**

**by Sheldon Richman**

President Bush has a nice little Christmas present for every family struggling to make ends meet: he announced the other day that he will make clothing more expensive in the coming year by imposing limits on cheap imports from China. This little favor to American textile and apparel interests is a slap in the face to everyone of modest (and not-so-modest) means. It is also a blow to clothing retailers who tried futilely to block the president's move.

The next time a politician expresses sympathy for "working families" or the "working poor," remember this. Where are all the bleeding hearts now? Too deeply embedded in union pockets to condemn this outrage.

On January 1, the decades-old world system of textile and apparel import quotas will come to an end. This is a good thing. The global division of labor and free trade make us richer, even if they prompt short-run adjustments. But with the impending demise of the exploitative quotas, people beholden to U.S. textile and clothing manufacturing interests have been warning that the American market will soon be flooded by inexpensive Chinese products

To which we should say: Bring them on! Who would gain by this? Obviously, low-income people struggling to clothe their children and themselves would benefit. Other beneficiaries would include retailers, who prosper by having a greater variety of products across a range of prices. The short-run losers would be those who make textiles and apparel domestically. But keep in mind that high technology has been shrinking the U.S. textile workforce for many years. The developing world has a comparative advantage in labor-intensive manufacturing. In fact, it is other developing countries such as Bangladesh that will feel the effect of expanded Chinese exports.

Competitive pressure makes people better producers. If the American textile and apparel industry is to have a future, it must find ways to meet the competition. Seeking shelter and conspiring against consumers won't help.

Besides, how dare the industry ask government to forcibly interfere with our right to trade with whomever we please!

Unfortunately, China says it will cooperate with the protectionist Bush administration and accept the so-called safeguards, that is, limits on their exports, until 2008. It has gone even further, announcing that it will enact a tax on textile and clothing exports. The tax would violate World Trade Organization rules, but since no member government has an interest in complaining, there's nothing to stop it. And they call it a free-trade agreement.

The rationale for this new tax has been camouflaged by diplomatic mumbo-jumbo. Chong Quan, a Chinese commerce ministry spokesman, said, "This is part of a string of measures China will take to ensure a smooth transition for textile integration following the end of the quota system." That was followed by this from Mary Brown Brewer of the U.S. Commerce Department: "We will continue to work with China and other nations to facilitate an orderly transition from the textile quota system."

Translation: The U.S. government will put the screws to the Chinese if they don't cooperate in this shameless scheme to rob low-income Americans. The game was given away by Augustine D. Tantillo, executive director of the American Manufacturing Trade Action Coalition, who scoffs at the Chinese tax offer and demands rigid limits: "It is like, instead of being 70 percent below the U.S. price, they're now going to be 58 percent below the U.S. price."

Tantillo, of course, wants Chinese products to be priced above his members' price, and he's for any measure that would bring that about. No doubt he also supports all the welfare-state programs ostensibly intended to help low-income people.

Free trade is the poor's best friend. The next time someone demands that something be done for the poor, say to him, "No, something should be *undone!*"

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