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Bra Wars

by James Bovard

President Bush continually scapegoats foreigners for his decisions to pilfer Americans. While Bush loves to praise free trade, in reality, “free trade” is whatever George Bush says it is. For Bush, like other recent presidents, “fairness” is the magic word to sanctify whatever trade restrictions he imposes.

In his speeches, President Bush has made some of the most eloquent statements on the benefits of trade ever made by an American president:

We will work with our allies and friends to be a force for good and a champion of freedom. We will work for free markets, free trade, and freedom from oppression. Freedom is exported every day, as we ship goods and products that improve the lives of millions of people. (February 27, 2001)

Free trade applies the power of markets to the needs of the poor..... We also know that free trade encourages the habits of liberty that sustain freedom over the long haul. (July 17, 2001)

But Bush does not let idealistic rhetoric stand in the way of crass politics. He perennially sacrifices the freedom of Americans (and foreigners) to curry favor with voters, with unions, or with campaign contributors.

For almost two centuries, the U.S. government has vigorously protected Americans from low-priced foreign clothing. The United States maintains more than a thousand quotas on textile and clothing products. Many of the highest U.S. tariffs are on clothing and apparel. According to a Federal Reserve study, trade barriers add \$33.6 billion to the price Americans pay for clothing and textiles each year.

In 1994, as part of an international trade-liberalization agreement, the United States and other nations pledged to remove all quotas on clothing and textile imports by December 31, 2004.

Consumer protection through the MFA

The 1994 deal finally put the kabosh on an elaborate web of international restrictions first sanctified by formal agreements two decades earlier. In 1974, the leading textile exporters and importers gathered in Geneva to hammer out new international rules for textile trade. The Multi-fiber Arrangement (MFA) was the result. The preamble announced that the MFA sought “the reduction of [textile] trade barriers and the liberalization of world trade.” Developing nations were enticed to sign the MFA because it promised that exports to developed countries would be allowed to increase “*at least 6 percent per year for those imports subject to specified limits*” [italics added].

Clothing production requires little skill or capital; its main requirement is people who need to work. Low-wage Third World nations have a natural advantage for labor-intensive activities. The MFA was supposed to be a transitional arrangement to help richer countries phase out of an uncompetitive industry.

Instead, the MFA provided a blank check for wealthy importing nations to shackle poorer exporting nations. The MFA was extended in 1978, in 1981, and again in 1986, and each extension further emaciated the 6 percent growth pledge. The 1986 extension expanded the types of clothing covered by the Arrangement, including silk, ramie, and even glass fiber.

The MFA protected Americans only from low-price clothing. It restricted the exports of relatively poor nations (and Japan); the United States imposed no import textile quotas on Canada, western Europe, or Australia. U.S. textile regulations shackled imports of cotton socks from Peru while permitting unlimited imports of Parisian designer dresses.

Importers have been hammered by constant changes in the rules on classifying textile imports. Customs Service officials worked overtime in late 1989 to protect America against foreign shoestrings: they prohibited the import of a shipment of 30,000 tennis shoes from Indonesia because the shoe boxes contained an extra pair of shoelaces. One Customs official decided the extra laces were a clothing product that required a separate quota license for importing, and his decision set a precedent for the entire Customs Service. None of the tennis-shoe importers was thinking of the extra laces as anything but part of the tennis shoe and thus they were caught in their tracks without quotas for shoestrings. (Some new tennis shoes have eyelets for more than one set of laces.) Customs proceeded to establish intricate rules for shoelace imports. In a judicious ruling, the U.S. government announced that an extra pair of shoelaces would be permitted in a box of tennis shoes as long as the extra shoelaces were laced into the shoes and were color-coordinated with the shoes. But Customs warned importers, “We note that where multiple pairs of laces of *like* colors and/or designs are imported ... a presumption is raised” that the shoelaces are not actually part of the shoe [italics in the original].

The Bush amendments to the 1994 agreement

In 2002, U.S. import quotas on bras were ended — in part because no American company manufactures bras. Bra imports from China had been restricted by U.S. quotas for more than 20 years. After restrictions were lifted, Chinese bra exports to the United States swelled by 71 percent.

American textile companies were outraged by the Chinese bra surge. Some U.S. companies export fabrics and parts to Central America where low-paid workers assemble the components into bras; these are exported to the United States with zero tariffs (because they are made with U.S. components). Aggrieved that the price of Chinese cotton bras in early 2003 declined from \$6.53 to \$5.56 per square meter, the American Textile Manufacturers Institute petitioned the Commerce Department to reimpose quotas. (Happily, most consumers purchase by the piece instead of the square meter.)

Even without quotas, bras must leap relatively high tariff barriers to enter the U.S. mainland. Bras made of cotton or polyester face a 16.9 percent tariff. The tariff burden is much lower — only 4.9 percent — on silk bras containing lace or embroidery. And for “respectable” silk bras with no lace or embroidery, the tariff is only 2.7 percent. This tax on feminine accoutrements achieves nothing aside from boosting federal revenue and mulcting shoppers at Wal-Mart, Victoria’s Secret, and elsewhere.

On November 18, 2003, the Commerce Department announced it was slapping import quotas on Chinese bras, dressing gowns, and knit fabric, restricting their growth to 7.5 percent in the following year. The decision was made by the Committee for the Implementation of Textile Agreements, the most protectionist cabal in the U.S. government. Commerce Undersecretary Gary Aldonas justified the restrictions:

Even with the Chinese figures built into the overall trade averages in these categories, the Chinese figures outstrip the average overall increase in trade.

Aldonas sounded as if the government is obliged to restrain anything that moves faster than average.

Commerce Secretary Don Evans said that the United States was simply “enforcing our trade laws” to “make it clear to the leadership of China and the people of America that we think free trade means more jobs for Americans. But it’s got to be fair trade.” Evans did not reveal the secret formula by which the Bush administration deduced 7.5 percent as the “fair” brassiere expansion rate.

President Bush commented a few days after the quotas were decreed,

Free-trade agreements require people honoring the agreements. And there are market disruptions involved with certain Chinese textiles; we're addressing those disruptions. . . . And as I have been saying publicly, that free trade also requires a level playing field for trade.

China has no import barriers against U.S. bras, and no bras are manufactured in the United States. Bush's comment illustrates how "level playing field" is a rote formula politicians invoke before clobbering consumers, akin to an obscure Latin phrase muttered by a priest before a medieval execution.

The United States never had any implied or explicit agreement with China that its bra exports would not rise after the U.S. government stopped repressing them. Bush and his trade team continually implied that the Chinese were guilty of bad faith, when it was actually the Bush administration taking a cheap shot.

The bra restrictions are far more likely to boost textile-company profits than to save textile jobs. And a 7.5 percent import rise is unlikely to keep pace with the expanding U.S. market. (The average bra size in America rose from 34B to 36C between 1991 and 2003.)

The Chinese restrictions amounted to little more than Bush's pandering to textile workers and securing his southern electoral base. (The textile workers make the components for bras which are shipped to Central America and then re-exported to the United States.) Perhaps the Bush administration also thought that its sacrificial gesture might inspire some American factory to begin making bras again.

The bra restraints may be the opening salvo of a new war on clothing imports. Aldonas said he is seeking a "broader" discussion with China regarding its other textile exports to the U.S. market. The *New York Times* noted that textile companies and unions are putting heavy pressure on President Bush to expand the agenda to cover nearly all of the \$10.3 billion in imports of Chinese clothing and fabric.

Rather than a devoted free trader, Bush often looks like just another politician who believes that trade exists and occurs primarily for the glory and benefit of the rulers and their privileged subjects. The Bush administration favors free trade only for products made by industries that neglect to make large amounts of campaign contributions to politicians. Bush seems to believe that trade is fair except when imports increase. His praise of free trade — combined with his protectionist actions — gives free trade a bad name.

James Bovard is author of [The Bush Betrayal](#) as well as [Lost Rights](#) (1994) and [Terrorism and Tyranny: Trampling Freedom, Justice and Peace to Rid the World of Evil](#) (Palgrave-Macmillan, September 2003) and serves as a policy advisor for The Future of Freedom Foundation.

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