

Representing The Wiping Materials, Recycled Clothing, New Textile By Products and Fiber Industries

In My Opinion



One Container of Towels, 500 Jobs

By Bill Schapiro, Whitehouse & Schapiro, Baltimore, MD

SMART and Pakistan

A recent article in the business section of the *Baltimore Sun* by Robert M. Hathaway and Edward

Gresser was entitled “A Trade-First Pakistan Policy.” The article notes that “Instead of more aid increases the U.S. should drop high tariffs on clothing, leather and textile industries.”

A country of 165 million and nuclear-armed, a democratic Pakistan has been recognized as crucial to combating terrorism and radicalism throughout the world. The key to achieving this goal, it is asserted, is a strong economy and good jobs.

The most efficient and productive industry in Pakistan is its textile industry. Household linens “earn most of the hard currency Pakistan uses to buy food and fuel, and are good job creators.”

And here comes my favorite quote: “Each container of towels puts 500 residents to work!”

But duties on towels are 7.5% and on t-shirts, 19% and therefore, in 2007, on the \$3.6 billion dollars in goods exported to the U.S., a \$365 million tariff burden was carried.

Trade with Pakistan plays a role in many SMART member businesses. Some of us trade in wipers and finished textile products with Pakistani companies, and even more interesting, some SMART members play a role in creating thousands of jobs by opening used clothing grading companies in Karachi.

Lobbying campaigns that keep duties high on textile products have had an additional effect on SMART members: U.S. Customs, most likely in response to textile industry lobbyists, has applied illogical thinking to inhibit the import of used clothing products into the United States.

This creates the issue SMART is still fighting to this day: U.S. Customs defines “worn” to mean “worn out”, and therefore clothing that is not worn out is assessed a duty as if it were new.

Each container of towels puts 500 residents to work!

SMART continues efforts to change the U.S. Customs definition of worn clothing. Jessica Franken and Peter Mayberry are in regular contact with Maryland’s U.S. Senator Benjamin Cardin, whose office is working toward arranging a meeting to discuss the matter between the senator’s aides, Customs and SMART.

Whether you agree or disagree with U.S. policy on textile duties, this issue points out how important it is that we have a government relations department that, through Jessica Franken’s membership on the U.S. Department of Commerce’s Industry Trade Advisory Committee for Textile and Apparel (ITAC) can express our industry views on the important issues of the day.

**SMART has not taken a position on textile duties but perhaps the board might want to discuss having one so as to fortify Jessica in her contacts with government officials.*