

“Textile Blues: Tar Heels and Asian Tigers”
Reading Questions
Answer Key

1. the World Trade Organization (WTO) and steps toward ending textile quotas
2. as a preventive measure; the WTO wanted to cap the import growth of textiles from China to prevent a “deluge” of potentially below market value clothing
3. placing quotas on those goods
4. no, instead the industry has fought to maintain the status quo
5. imposes duties on allegedly “dumped” imports and redistributes funds to U.S. competitors as reimbursement
6. higher prices on imported goods (due to tariffs) discourage consumers from buying product; the consumers buy the domestic product
7. China has a comparative advantage; increased political freedom of Chinese workers and increased demand for more U.S. goods; allows U.S. textile industry to focus on high-end textiles of complex fiber combinations