



From the
Minister for Trade

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

Dear Colleague,

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The steady decline in jobs in the textiles industry over many decades is an emotive subject. Understandably, perhaps, comments are often made on the basis of assertions and myths about imports and import controls which have little or no foundation. I have had many requests from all sections of the industry and Parliament to set out in a reasonably comprehensive form what it is that the Government does to provide the industry with some measure of relief from import competition.

Of course, publishing a booklet about the Government's policies on textile and clothing imports is not going to save any jobs. But rational, well-informed discussion is desirable at a time when we are soon to begin the important negotiations on the successor to the multi-fibre arrangement - negotiations crucial to the future of the industry.

So this booklet takes a detailed look at the level of textile imports; the evolution of the various restrictions on imports; how extensive they have become; and the roles of the British Government, the European Community and the European Commission. It is frank but realistic about the shortcomings of the system.

It does not cover the wider aspects of trade policy which must always be a consideration for the Government. For instance, the cost of protection to the consumer is a reality which cannot be ignored.

Nor must we forget that the developing countries - from whom most of our low-cost imports come - represent a very important market for our manufacturing industry. Last year we had a surplus in

manufactured goods with the low-cost textiles producing countries of almost £5 billion. It is in our interests as well as theirs that they have as much opportunity as possible for economic progress. They are likely to be some of our fastest growing markets, particularly for capital equipment. So the interests of the British textile industry cannot simply be viewed in isolation from the rest of British manufacturing industry.

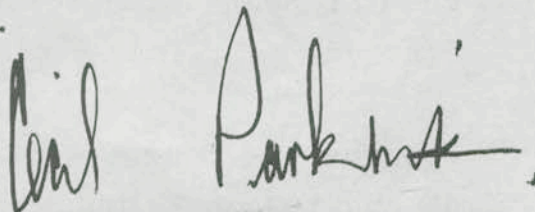
Nevertheless, the Government is committed to ensuring the strict implementation of the present agreements and arrangements affecting textile imports. It is also prepared to act, whenever action is possible, against unfair or disruptive trading. Since May 1979 we have obtained through the European Community 36 new textile and clothing quotas; negotiated restraint arrangements with three major producing countries not previously covered; taken action against damaging imports of synthetic textile products from the USA and elsewhere; and given our full support to anti-dumping action initiated by British firms. It is our intention to press for a tough successor when the present MFA expires.

However, as the booklet shows, the industry still faces severe difficulties. There is no easy answer to those difficulties. Even if they were entirely due to competition from imports there is no acceptable and realistic way in which imports can be cut off or even substantially cut down - and nor would it be in this country's overall interests for us to attempt it.

On the more positive side, the industry remains a major and successful exporter. With the recent textile mission to Hong Kong we have begun the process of encouraging a more vigorous pursuit of new markets overseas. The answer to many of the industry's problems lie in its own hands and I believe it is doing much to help itself.

Those that lie in the Government's hands - and we accept that the Government has an essential role to play - will, I hope, now be more widely understood through this booklet.

CECIL PARKINSON
MINISTER FOR TRADE

A handwritten signature in dark ink, appearing to read 'Cecil Parkinson', is written over the typed name. The signature is fluid and cursive, with a large initial 'C' and 'P'.