CONFIDENTIAL

London, SW1

Dear Juin

Tim Lankester Esq Private Secretary 10 Downing Street



Prin Mint The value of governts on which there is disagreement amounts to a mer \$65,000.

From the Secretary of State It seems extraordinary but in cannot make some sestine in ladia's direction. But I am

that wont he Britton regards

/3 April 1981 this as an important matter of principle - Second of the tentile Losby. I suggest you am a vibriet wood with him is to magnis of cartiel/E tomora

INDIA: FOLKIORIC TEXTILES

We spoke on the telephone this morning about the continued retention of a number of consignments of textiles from India which are claimed to be "folkloric".

The present incident has to be set against total imports last year of £31 million worth of goods which are claimed as "folkloric". The value of the items now detained is about £75,000. At meetings with representatives of the Indian High Commission it has been accepted that about £10,000 worth are clearly not covered by the "folkloric" exemption from quotas. There is no written confirmation of this, but I do not expect that the Indians could go back on what they have said in meetings with representatives of this Department and Customs and Excise.

I must stress that it would be quite unprecedented for Ministers to seek to intervene with Customs and Excise in their application of the law to individual cases.

yours sincerely

S HAMPSON Private Secretary

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\$1 m worth out of fullowing currently held -5 \$3/2m in 1980 wer but fullowing \$75,000 held) value \$75,000