



DEPARTMENT OF INDUSTRY
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Trade

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Secretary of State for Industry

J E Longworth Esq
 Oldham and District Textile
 Employers Association Ltd
 Thorncliffe
 115 Windsor Road
 OLDHAM
 Lancs OL8 1RQ

2 October 1980

*PS/hon'ble Wrencham
 PS/Mr Mitchell
 PS/Sir P. Carey
 Mr Steele
 Mr Hudson CT
 Mr Muir CTB (on file)*

Dear Mr Longworth

*R
 17/10*

The Prime Minister has asked me to reply to your letter of 18 September.

The Government regrets as much as you do closures of textile mills like the ones you mention. Courtaulds will, as you know, retain substantial modern capacity in spinning. Whether or not anyone will ever invest again in a new spinning mill in this country remains to be seen. The uncertainty is clearly large: but that also makes it impossible to be too categorical about the future.

I note that you disagree with the Government's macroeconomic and trade policies. Not all cheap imports are unfair nor can we restrict the import of all of them. We try to reconcile our wider trading interests and our legal obligations with our desire to see the textile sector given a reasonable trading framework in which to operate. You are aware of the details of that framework - in terms of quotas, trade coverage, and so on. I know you think the protection afforded to the industry is insufficient but it is more extensive than the protection given to other manufacturing sectors. We are always on the alert to improve the operation of the restraints; you know for example about the new quotas we have introduced since we took office. You may think they were not introduced quickly enough; but we have to work through European Community procedures.

As for our economic policies, our objective is to get down the rate of inflation to a tolerable level. That can only be to the good of an industry like textiles which conducts, contrary to often received wisdom, a large part of its trade with the developed world. Experience has shown that subsidies and interventions in industry do not secure this objective. To

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provide specially cheap credit and so on for manufacturing industry, as some advocate, would simply put us all back again onto a road that leads nowhere. The textile industry would welcome that no more than we do. The question is not one of sincerity of views but how to obtain results.

Erinity
Ken Joseph

BIF 6-10-80

22 September 1980

The Prime Minister would be grateful if your Secretary of State would reply on her behalf to the attached letter from the Secretary of the Oldham and District Textile Employers' Association.

I should be grateful if you could let us have a copy of the reply for our records here in due course.

XXX TPL

Ian Ellison, Esq.,
Department of Industry.

TUR



10 DOWNING STREET

PRIME MINISTER

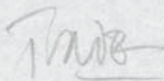
This is a further letter from Mr. Longworth, the Secretary of the Oldham and District Textile Employers' Association, who was one of the members of the textile delegation whom you saw in June. It tells of further mill closures and repeats earlier criticism of Government policy. Do you wish to reply (you answered his previous one), or shall we ask Sir Keith Joseph to reply on your behalf?

K.J.

19 September 1980

R

MB



19 September 1980

I am writing on behalf of the Prime Minister to acknowledge your letter of 18 September. I will place this before the Prime Minister and you will be sent a reply as soon as possible.

T.P. LANKESTER

J.E. Longworth, Esq.

Telephones:
061-624 3611 & 3612

Oldham and District Textile Employers' Association Limited

THORNCLIFFE, 115 WINDSOR ROAD,
OLDHAM OL8 1RQ

Secretary:
JOHN E. LONGWORTH
Assistant Secretary:
RAYMOND R. RAGGETT

JEL/DB

The Rt. Hon. Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1

18 September 1980

Dear Prime Minister,

Since our meeting on the 9 June the textile industry has continued to decline.

What concerns me most is that mills with which I have the closest contact and which I know are well-equipped and well-managed have been forced to close.

As you will know, six modern Courtaulds mills in my area, and two in other areas, announced their closure at the end of August. On Tuesday the imminent closure of another company, Standard Mill (Rochdale) Limited, was announced. This is a most modern, well-equipped mill which has diversified into a wide range of cotton and man-made fibre yarns.

As these modern mills close down our industrial base is being destroyed and it is most unlikely that anyone in the future will ever risk investing in a new spinning mill in this country. In fact, the latest machines from the closed mills will almost certainly find their way to our overseas competitors.

I can understand that you are determined to stick to your economic policies in the firm and sincere belief that these will work for the long term good of the country. I also know that you sincerely believe that the government has done all that is possible about cheap unfair imports. I simply want you to know that many of us within this industry are just as sincere in holding contrary views on both points.

*Yours sincerely,
John E. Longworth*

→ (CF) Mr Smith
works for
EMPLOYMENT

Trade
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Secretary:
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Assistant Secretary:
RAYMOND R. RAGGETT

Prime Minister

Ref: JEL/DB

No need to reply to
this. But I am sending
a copy to Employment R17/7
in view of the point at X.

The Rt. Hon. Margaret Thatcher, MP
Prime Minister
10 Downing Street
LONDON SW1

16 July 1980
R 247

Flag A Dear Prime Minister,
Thank you for your letter of the 27 June.

Since writing to you I have had further conversations with the Manchester office of the Department of Employment administering the TSTWC scheme and have found them very helpful. I believe that we should be able to sort out any problems that might arise.

I also believe they will confirm that in connection with advance payments for firms with cash flow difficulties there have been one or two cases where the advance has been adjusted at the first payment stage in the light of the amount claimed, but much more important for all firms is the fact that it can be eight to twelve weeks from the first week of short time to the receipt of the first payment.

Probably a major cause of the delay in payment is the increased use of the scheme and the limited numbers administering it.

X | Anything you can do to speed up payments would be appreciated.

Yours sincerely,
John E. Longworth.