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From the  
Minister for Trade

Nick Huxtable  
Private Secretary to the  
Lord President of the Council  
Whitehall  
London SW1

24 February 1982

*Dear Nick,*

SPECIAL FOREIGN AFFAIRS COUNCIL ON TEXTILES: THURSDAY,  
25 FEBRUARY 1982

I would like to confirm our telephone conversation of this morning, concerning the timing of a Statement by my Minister, Peter Rees, on the outcome of the Foreign Affairs Council which is to meet tomorrow to determine the Community's position on accession to the Protocol renewing the Multi-Fibre Arrangement. You told me that the Lord President wished that this statement be given at 11 am on Friday, 26 February. (There is still some possibility, I should note, that this Council will not reach a decision - in which case there would be nothing to report.)

I mentioned to you that since the Statement would follow very soon after the end of the Council (which we expect to run late) we would not be able to circulate the text as far in advance as either we or you would have liked. We will circulate the text as soon as is possible. *Mr Rees will only return on Friday morning.*

I am circulating this to Number 10 and the Chief Whip's Office.

*Yours sincerely,  
Matthew Crickshank*

MATTHEW CRICKSHANK  
Assistant Private Secretary to the  
Minister for Trade (PETER REES)

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## Multi-Fibre Arrangement

11 am

**The Minister for Trade (Mr. Peter Rees)** *rose*—

**Mr. Michael Cocks** (Bristol, South): On a point of order, Mr. Speaker. I seek your guidance on a highly unsatisfactory state of affairs that has arisen. It is a convention of this House that when the Government make a statement the Opposition are given a copy of it half an hour beforehand so that they can study it and give a considered response to the Minister. I freely acknowledge that from time to time the half hour is contracted and may be only 20 or 25 minutes, but we have always taken an understanding view. Today the Opposition's Front Bench spokesman was handed a copy of the Minister's statement one minute before 11 o'clock. In the best interests of the House, that situation cannot be tolerated.

I know, Mr. Speaker, that you cannot protect us under Standing Orders because a convention of the House is something that is accepted and honoured as far as possible, but is not a right enshrined in the Standing Orders. However, the Government have put the Opposition in an intolerable position, and I ask you, Mr. Speaker, to find some way of relieving us in the future from such difficulties.

This is no light statement. The multi-fibre arrangement is of vital interest to tens of thousands of workers in the textile industry. Therefore, Mr. Speaker, would you consider the position in which my hon. Friend has been placed and possibly initiate some sort of action, perhaps through the usual channels, to remedy the position?

It is not easy on a Friday to find a way of intervening in the Government's business. Therefore, may I also draw your attention, Mr. Speaker, to the winding-up speech in the debate on Welsh affairs last night? A most unfortunate reference was made by the Secretary of State for Wales to my right hon. Friend the Member for Rhondda (Mr. Jones). It is reported in col. 1072 of today's *Hansard*. I hope that the Government will find an early opportunity of restoring fully the damage done to my right hon. Friend's reputation.

**Several hon. Members** *rose*—

**Mr. Speaker:** Order. Before I call anyone else on the original point of order, may I first deal with the latter point, because I was in the Chair at 10 o'clock last night. There was a rather loud conversation between two right hon. Members. The conversation was not addressed to the whole House. However, it was rather a loud conversation.

The House knows that it is absolutely out of order to make any suggestion that any right hon. or hon. Member has had too much to drink. That was the clear implication. I have no doubt that the conversation was private. No point of order was raised with me, or I would at once have risen. However, I am sure that an opportunity will be taken to put the matter right. I believe that that ought to be done, since the remark is now in *Hansard*.

**Mr. Peter Rees:** Further to the first point of order, Mr. Speaker. I deeply apologise to the House that the convention was not observed to the full on today's statement on the multi-fibre arrangement. The circumstances, which I hope the House will understand, are that the discussions were not concluded until very late last night. It was considered better to make a statement today because of the concern that I know is felt in the House

about these matters rather than wait until Monday. I appreciate that these are highly technical matters and I should have preferred that Opposition spokesmen were fully in possession of the details in advance.

I offer my apologies. I hope that the House will feel that there is ample opportunity to do justice to the subject, if not completely today, at least in the questions that will be put to my Department on Monday. There is at least one question which, subject to the Chair's direction, might give rise to some supplementary questions to enlarge upon matters which any hon. Member believes that I have not dealt with satisfactorily in the statement today.

**Mr. Bob Cryer** (Keighley): Further to that point of order, Mr. Speaker. The Opposition have appreciated that the Government have made statements from time to time on the multi-fibre arrangement. It is clear from today's exchanges that there has been a regrettable lapse in the provision of information to the Opposition Front Bench.

I have one point to make for your consideration and possible influential help, Mr. Speaker. The MFA is complicated and highly technical. The Opposition Front Bench spokesman speaks on behalf of the Labour Party, but Back Benchers also have to deal with the technical complexities. Textile workers in our constituencies are much concerned about the matter and we must deal with the arrangements.

It is not good enough to issue copies of statements so late and to only a few right hon. and hon. Members on the Front Bench. On technical matters such as this the Government should issue copies more widely so that other hon. Members can grasp the information and ask more probing questions.

**Mr. James Lamond** (Oldham, East): Further to that point of order, Mr. Speaker. I support my hon. Friend the Member for Keighley (Mr. Cryer). What he said in this instance applies to all statements by the Government. No harm would be done to the Government if they allowed hon. Members who are interested in a statement to receive a copy half an hour before it is made. As a result hon. Members' questions would be more informed and probing. I cannot see that that would be bad for the Government or the country.

**Mr. Speaker:** I am sure that what has been said by the hon. Members for Keighley (Mr. Cryer) and Oldham, East (Mr. Lamond), and by the Opposition Chief Whip will have been noted with care by the Government Front Bench. There has obviously been a slip up this morning about a convention. It is not a rule, but a very strong convention, which both parties, whenever they have the privilege of sitting on the Government Benches, normally observe.

**Mr. Peter Rees:** With permission, Mr. Speaker, I should like to make a statement on the special Foreign Affairs Council to discuss textiles which took place in Brussels yesterday.

I am glad to be able to tell the House that the Council agreed that the Community should sign the extended multi-fibre arrangement which was adopted by the GATT Textile Committee in Geneva on 22 December last. The Council also authorised the Commission to start negotiations immediately on new MFA bilateral agreements with supplying countries. These should come into effect on 1 January 1983 when the current agreements expire.

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These negotiations will take place within a framework of revised global ceilings for imports of the eight most sensitive textile and clothing products—the so-called group I products. These new ceilings will apply to all imports from low-cost sources both from our MFA partners and from the Community's preferential suppliers and will include all outward processed trade. The ceilings represent a firm commitment by the Community to regulate imports in these highly sensitive categories. They take account of planned cutbacks in imports which will be the subject of negotiations with the Community's dominant suppliers together with other technical adjustments aimed at reducing the total liability of the Community. The rate of growth which will be allowed on these quotas will be very small. For the United Kingdom the overall annual growth rate in this especially sensitive area will be roughly 1 per cent.

Furthermore, the Council agreed that annual growth rates for the less sensitive products outside group I should also be kept very low. In view of recent trends in consumption they will in general be lower than those negotiated with supplying countries under MFA 2.

Considerable concern has been expressed to me by hon. Members and by representatives of the industry about the possibility of the proposed new anti-surge mechanism which is designed to prevent too rapid a take-up of under-utilised quotas being nullified by an exceptional surge of imports under the quotas in the course of 1982.

I am glad to tell the House that at the insistence of the United Kingdom the Council agreed on special measures to counteract this possibility. First, rapid anti-dumping or countervailing action will be taken in appropriate cases. Secondly, in particularly serious cases, action will be taken as a matter of urgency under the general review clauses in the existing bilateral agreements so as to reach a solution related to quantities. Those are major innovations and will, I hope, help to reassure the House about this potentially difficult problem.

The Council also considered the treatment to be given to outward processed goods. Industrial requirements in this sector vary widely within the community. I am glad that, after considerable discussion, our colleagues in the Community were able to meet our requirements on this difficult point. I confirm that we shall be under no obligation to open special quotas for additional outward processed goods, which is in accordance with the wishes of the United Kingdom industry with which we have kept in close touch throughout the negotiations. The only exception will be any such trade offered to the dominant suppliers as compensation for the cutbacks in their normal trade which I mentioned earlier.

The stage is set for the Commission to begin its bilateral negotiations which will determine the precise quotas for each country and each product. The mandate given to the Commission is a tough one, including points established at earlier Councils, which have been reported to the House—for example, reduced flexibility in the use of some quotas, a commitment to consult under the general review clauses in the event of recession, together with the cutbacks on the dominant suppliers and the anti-surge mechanism which I have already mentioned. All that is in addition to the generally more restrictive global ceilings and growth rates agreed yesterday.

The Commission is to report back to the Council in the autumn on progress made. Until then, we cannot be certain precisely what quotas will emerge. However, the Council

decided yesterday that in the absence of the satisfactory renewal, in good time, of the bilateral agreements, the Community would notify its withdrawal from the Multi-Fibre Arrangement by the end of this year.

As I think I have made clear, yesterday was not the end of the story. We shall be monitoring progress in the negotiations very carefully to ensure that the special interests of the United Kingdom industry are kept fully in mind by the Commission. If the Commission fulfils its mandate—I have every confidence it will—I think that there can be no doubt that the new MFA bilateral agreements will, by any definition, be significantly tougher than those currently in force, and the already high degree of protection afforded to the United Kingdom industry will be substantially enhanced, thus enabling the industry to continue the process of restructuring and modernisation upon which it is already embarked.

**Mr. K. J. Woolmer** (Batley and Morley): Will the Minister accept that the manner in which the statement has had to be made is thoroughly unsatisfactory to the Opposition? The House will appreciate that my questions and observations can be only an instant view rather than the considered view that the House would normally expect. Will the Minister assure the House at once that the Government will make some amends by ensuring that a full debate will take place on this matter, which is important for more than 600,000 workers in this country? They would expect nothing less than a full debate on what could be the determination of their jobs and their future.

Does the Minister recognise that many aspects of his statement, and of its omissions, will continue to cause great concern in the textile and clothing industries? As those industries have lost 120,000 jobs under MFA 1 and 200,000 jobs under MFA 2, will the Minister accept the vital importance of negotiating an MFA 3 that stems that huge job loss? Does the Minister accept that by basing future growth of low-cost imports on existing quotas instead of the actual level of imports, there can still be an increase of imports over the next four and a half years of at least 22 per cent., causing a further substantial loss of British jobs? That will not be taken account of, or limited, by the measures that he has announced.

Does the Minister recognise the grave doubts that exist about the proposed anti-surge mechanism? Will he ensure that group II and III products are covered, so that products such as men's and boys' jackets and bed linen are included, because the potential import growth there is 100 per cent. or more? Will the hon. and learned Gentleman spell out what compensation would be offered to countries affected by anti-surge action?

Exactly what has been agreed on cutbacks to dominant suppliers? Details were lacking from the hon. and learned Gentleman's statement. As expansion of outward processing by the United Kingdom or our partners in Europe poses a serious threat to our imports and exports through free circulation, will the Minister spell out his assessment on the effect on this country of outward processing and what safeguards will be available to us because of its impact on us through our EEC partners?

Does the Minister accept that most attention has been given to group I products? As they account for only 50 per cent. of low-cost imports, may I turn his attention to the group II and III products? What average growth rate of imports will be permitted? It will not be satisfactory to the House, the industry or the trade unions to be told that the