

CLOTHING INDUSTRY

The Prime Minister announced today that the first reference was being forwarded to the Textiles Authority within the Industries Assistance Commission. The reference followed discussions between the Prime Minister and the Minister for Overseas Trade, Dr. Cairns and the Minister for Secondary Industry, Mr. Enderby. The reference asked the Authority to undertake an immediate examination of the principal sectors of the clothing industry to ascertain whether action should be taken under the GATT Textiles Arrangement to restrain imports into Australia. The sectors covered were woven shirts, knitted outerwear, dresses and related clothing products.

"It is time to find out the facts", the Prime Minister said.

The Prime Minister said that the reference followed representations and claims by representatives of the local clothing industry of damage from imports. Imports of some clothing items had increased in recent months but the domestic market had grown substantially and local production was at high levels. Mr. Whitlam pointed out that there was a normal seasonal decline in the textile industry at this time. Checks with the Commonwealth Employment Service have revealed that statements in the press of layoffs have been grossly exaggerated.

Since the 25% cut in tariffs was made in July, 1973, a total of 389 persons in the textiles and footwear industries have been displaced. The seasonal nature of employment in the industry is shown by the 800 persons who were displaced in January, 1973, 550 persons in January 1974 (an abnormal low), whilst there was a decrease of 400 jobs in April/May last year. The Prime Minister said that December, January, May and June were months where there was traditionally a seasonal decline in employment in the industry.

"It is by no means clear that restraint action is necessary at this stage and no clothing company has submitted a detailed formal case to the Government.

"However, to allay any concern that may be developing about the future of the textiles industry and because some people are trying to make political capital out of the situation without presenting the facts, the best thing to do is to have a public inquiry to obtain any evidence which is available and determine whether action is necessary", said the Prime Minister.

The Prime Minister invited manufacturers and other interested parties to start preparing evidence now for submission to the Authority.

The Textiles Authority would announce arrangements for public hearings shortly. Under procedural arrangements which the Government announced in February, the Textiles Authority is being asked to report as soon as possible but within a maximum period of 60 days. If action for restraints is recommended by the Authority, urgent negotiations would then be initiated with the exporting countries concerned.

Any employees laid off as a result of the lifting of the import quotas or the 25% tariff cut and whose employer makes a declaration to this effect will receive their average normal wages over the previous six months until satisfactorily re-employed or a period of six months has elapsed.

The Prime Minister added that if other sectors of the textiles and apparel industries faced difficulties from import competition, consideration would be given to sending further references to the Textiles Authority.

CANBERRA, A.C.T.

END

6 MAY, 1974