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# news release

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## GOVERNMENT TO INITIATE CONSULTATIONS ON CLOTHING IMPORTS

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The Honourable Ed Lumley, Minister of State (International Trade), today announced short-term initiatives intended to restrict selected clothing imports for 1983. Consultations will be undertaken with Canada's four principal suppliers to help preserve jobs and enable the recession-hit domestic industry to continue the work of industrial adaptation begun last year. At the same time, the Government is conscious of the needs of Canadian consumers and is satisfied that they will continue to be able to obtain a wide range of reasonably priced, quality garments.

Mr. Lumley noted that the Government had established the Canadian Industrial Renewal Board in 1981, with funding of \$250 million over the next 5 years, to assist the industry's efforts to rationalize and modernize, and to increase productivity and restrain prices. However, these efforts are being inhibited by recent developments. Temporary assistance is accordingly required due to the impact of increased imports in today's particularly difficult economic circumstances. Employment in the Textile and Clothing industry is being seriously affected with a loss already of some 27,000 jobs, a reduction of 15 percent in the last year.

The Government has invoked the consultative clauses in Canada's bilateral restraint arrangements with Hong Kong, the Republic of Korea, the People's Republic of China and the Taiwan Textile Federation. Discussions will begin on an urgent basis with a view to negotiating lower

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levels of clothing imports for selected product areas where the import competition facing the industry is particularly serious. "In view of the Government's intentions with respect to the regulation of imports, importers are advised to exercise caution in entering into forward commitments", Mr. Lumley stated.

Mr. Lumley stressed that imports of a number of clothing items in 1982 had increased significantly with serious implications for the business climate within which the industry is pursuing modernization and restructuring programs. He said that these increased imports are coming at a time of particular softness in the clothing market in Canada, and that they have contributed to declines in production and employment. "I would encourage Canadians to buy garments made by their fellow Canadians during this difficult period," Mr. Lumley stated.

The Minister emphasized the Government's expectation that the companies concerned will observe the 6%/5% guidelines in their non-union salary and wage settlements and in their prices. Indeed, the Government expects both companies and their unions to observe the guidelines in the collective agreements which expire during the period of the 6%/5% program.