

2. Imports from U.K. do not compete with U.S.A. clothing

Clothing imported from Great Britain is to a large extent made in specialty fabrics, in traditional British styling and to high standards of craftsmanship. These garments are different from, and are not competitive with the bulk of garments produced in America for the home market, and in general British clothing sells in the shops in America at higher prices than American garments.

It has not been possible from the statistics available to calculate the average price of U.S. produced garments. It is, however, reported for instance that U.S. cotton/m.m.f. raincoats retail at about \$30.00 to \$40.00 against \$50.00 to \$90.00 for U.K. cotton raincoats and that the great majority of U.S. sports and formal shirts retail below \$7.00 whereas the retail price for U.K. shirts ranges from \$7.00 to \$20.00. We feel sure that the Committee will agree that it is fairly common knowledge that imported U.K. clothing generally sells in the higher price field.

3. Imports from U.K. represent very small proportion of U.S.A. production

Whilst the U.S. production figures of clothing are not strictly comparable with the import figures, as there is a difference in the coverage of the various headings used, a comparison of tables I and II appended indicates that the total of imports of clothing from the U.K. is only a very small percentage of the American production.

For instance, U.S. production of "dress and sports trousers" in 1967 amounted to 133,762,000 whereas imports from the U.K. of "men's and boys' trousers of wool or m.m.f." amounted to only 60,579 which is less than 0.1% of the production figure; and U.S. production of "overcoats and topcoats" in 1967 amounted to 3,812,000 whereas imports from the U.K. of "separate coats (other than suit type) of wool" amounted to 47,002 which is approximately 1.2% of the production figure.

It is recognised that the figures quoted above are not strictly comparable, there being, for instance, some imports from the U.K. of outercoats (other than rainwear) of fabrics other than wool. Adjustments made to take account of this and other factors would not, however, materially affect the thesis that imports of tailored outerwear from U.K. amount to only an insignificant proportion of American domestic production.

Table II shows the main imports from the U.K. and compares these with imports of the garments concerned from all sources. Of these, the only garment of which the U.K. supplies a substantial proportion (22½%) of the total imports are "separate coats (other than suit type) of wool".

4. Development of U.K. trade with U.S.A.

The fluctuations of trade in 1964, 1965, 1966 and 1967 are shown in table III appended from which it is apparent that the trend of the development of trade from the U.K. does not present any potential threat to U.S. producers.

Although the total trade is small, much of it is in the hands of comparatively few firms who have specialised in the market over a long period and have acquired the necessary knowledge and experience to be able to satisfy American requirements. The trade has been built up gradually under great difficulties over many years in accordance with accepted commercial practices. Advertising and merchandising programmes over a long period of time have established the names and reputation of British manufacturers, and it has been only by this careful fostering of the market that the demand for their products has been developed. Trade with the U.S.A. is therefore of major importance to these firms.

5. U.K. manufacturers are subject to competitive disadvantages

In addition to the import duty, goods exported from U.K. have extra costs in postage, freight, packing and insurance, customs clearance charges, etc., to which the American manufacturer is not subjected to the same degree.

Imported goods are subject to delay by customs clearance procedures including the necessity, for tariff purposes, of proving fibre content.

Another factor which operates to the advantage of the local manufacturer is the necessity, because of the time lag caused by these procedures and by shipment from the U.K., to maintain large local stocks of imported goods, so that customers can be readily supplied with the sizes, types and colours, etc., they require. Moreover, if there should be a sudden demand for a particular size, colour or type of garment, replacements often have to be obtained by air in order to keep a balanced stock.