

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COTTON TEXTILE IMPORTS INTO THE UNITED KINGDOM

The following communication has been received by the Director-General from the United Kingdom delegation.

I have been asked to request you to circulate to all members of the Committee, for their convenience, copies of the Aide Memoire delivered last September by Her Majesty's Ambassadors in the capitals of all countries participating in the Long-Term Cotton Textiles Arrangement as well as to a number of other contracting parties and their associates having a direct interest in trade with the United Kingdom in cotton textiles (namely Brazil, Greece, South Africa and Yugoslavia). As no doubt will have already been noted, paragraph 11 of the Aide Memoire makes it clear that Her Majesty's Government will welcome a full discussion of the proposed arrangements in the GATT Cotton Textiles Committee.

Secondly, I also enclose for circulation a statement of the interim arrangements which the United Kingdom is making to apply to imports from 1 January 1966. These arrangements are being put into operation in order to enable trade to continue pending discussions on the substantive arrangements described in the Aide Memoire.

Attachments

- (1) Aide Memoire.
- (2) Statement on United Kingdom imports of cotton textiles.

AIDE MEMOIRE

Cotton Textile Imports into the United Kingdom

1. The present export restraint arrangements which a number of countries have made with the United Kingdom expire at the end of 1965. This Aide Memoire sets out Her Majesty's Government's proposals for regulating imports of cotton textiles for a period of five years thereafter.

United Kingdom policy on cotton textile imports

2. Her Majesty's Government will continue to afford developing countries the opportunity to supply substantial and increasing quantities of cotton textile manufactures to the British market. The British record in this respect has consistently been far ahead of anything achieved by any other major industrialized country; the proportion of the United Kingdom's consumption which is met from imports from developing countries is now approximately one third. This extremely high figure has created problems for the United Kingdom of a different order from those experienced by countries whose textile industries are still sheltered by restrictions that limit imports to a much lower proportion (generally less than 10 per cent) of consumption. It justifies and indeed necessitates special measures of restraint if any further growth of imports is not to be accompanied by further serious disruption of the British market.

It was recognized in 1962 by all the signatories (except Pakistan) to the GATT Long-Term Cotton Textile Arrangement that the scale of British imports together with the great contraction of the British cotton industry in the preceding decade justified the exemption of the United Kingdom from the growth provisions of the Arrangement. Nevertheless, and despite this exemption, there has since then been a substantial increase in imports from countries with which no restraint agreements were in force, some of whom had no trade at all with the United Kingdom in 1962. Imports of cotton cloth and made-up goods from these countries rose from 12 million square yards in 1962 to 76 million square yards in 1964. This has come about notwithstanding the facts that there has been no material change in the restraint arrangements that were already in existence with the suppliers of the bulk of the United Kingdom's imports - India, Hong Kong and Pakistan - and that the President of the Board of Trade in 1962 gave a clear warning that new exporting countries should not count on building up a market in Britain while her traditional suppliers were exercising continuing restraint.

3. Meanwhile, the British Government has continued to promote the reorganization and adjustment of the domestic industry to the changing conditions which it has to face. Because of its history, its former massive size and its earlier extensive

export trade, its transformation into a compact and competitive industry with a completely changed pattern of trade presents formidable problems of adjustment. The British Government has taken positive steps to assist this adjustment by making Government grants for the scrapping of capacity and the modernization of equipment. The Government has also actively encouraged the structural re-organization of the industry. This has shown marked acceleration since 1963 and further rapid progress is expected during the next five years. But that progress depends upon the confidence of both labour and capital that the domestic market for the industry's products will preserve a measure of stability and will not be disrupted by uncontrolled and unpredictable imports either generally or in particular sectors.

4. In these circumstances, Her Majesty's Government think it necessary to propose that an overall annual limit should be set on imports for the next five years, except for imports from certain countries whose exports to Britain, by reason of their nature and price, have not in the past grown in such a way as to threaten disruptive effects. The large proportion of the United Kingdom market already filled by imports continues in the view of Her Majesty's Government to justify them in not undertaking the same obligations to permit further growth of imports as are appropriate in the case of other importing countries participating in the Long-Term Arrangement. Her Majesty's Government do not, however, propose to insist any longer on the maintenance of the Protocol which allows them to accord no growth at all. Instead, they propose that the total limit on imports should be raised each year by an amount which it is estimated will allow importers the opportunity to share equally with domestic production the natural growth in United Kingdom consumption.

Establishment of global quotas

5. Her Majesty's Government have reached the conclusion that the best way of implementing this basic concept will be to institute a series of global quotas for the main categories of cotton textiles which will be open to all suppliers with certain exceptions. Their reasons for making this proposal are as follows.

6. Because of the United Kingdom's liberal trading policy and the size of its market, the number of countries supplying cotton textiles to it has rapidly increased. When the first restraint arrangements were concluded in 1959 only three countries were concerned; now, only six years later, arrangements are in force or being negotiated with eighteen exporting countries. In addition imports from a number of other countries are controlled by special bilateral trading arrangements. Details of all these arrangements are given in Appendix A of the Annex.

7. This growth in the number of supplying countries has so increased the practical difficulties of negotiation as to make it virtually impossible to continue attempting to conclude arrangements of the kind hitherto made. Any agreement has to be satisfactory and equitable not only to the two parties negotiating it but also to all other supplying countries which already have restraint arrangements and which will not tolerate an agreement with a new supplier which seems to them more favourable than that which they already have. The problem has been exacerbated by the fact that the capacity of different countries to export has developed at different times and at different rates and consequently quotas have had to be fixed piecemeal over a period of time. Moreover, since entitlement to quotas under the Long-Term Arrangement depends largely on a country's past exports to the market in question, even a short delay in imposing restraint can make a considerable difference to the basis of a country's quota, and a premium has thus been placed on a sudden and rapid build-up of imports so as to secure a good base period to start from.

8. Her Majesty's Government tried to meet some of these difficulties by introducing in May 1964 a system of specific licensing of imports from countries not already subject to restraint so as to provide, in the first instance, information about future contracts. This information confirmed that suppliers in a number of countries had entered into forward contracts of unprecedented volume with United Kingdom importers. In these cases Her Majesty's Government has entered into negotiation for restraint agreements with the countries concerned; meanwhile, to avoid disruption of the market, they have limited imports from these countries to goods which were the subject of contracts entered into before 1 May 1964.

9. In these and other negotiations it has proved extremely difficult to reach agreement. In fact, although many negotiations are in progress, only two agreements have been concluded since the beginning of 1963. This is largely because so much of the British market is already taken up by imports from the major traditional suppliers that the British Government has generally been unable in the negotiations to offer quotas much in excess of the amounts calculated in accordance with Annex B of the Long-Term Arrangement, and these have been considered by the supplying countries to be inadequate.

10. These difficulties might have been avoided, and the results intended when the no growth Protocol was generally accepted in 1962 might have been achieved, if Her Majesty's Government had rigorously applied the Long-Term Arrangement to imports from those countries with which negotiations were in progress and to imports from all other suppliers who might benefit from the restraint imposed on

their competitors and whom it would therefore be inequitable to leave uncontrolled. Although this course of action would not have been contrary to their obligations and rights in relation to exporting countries, Her Majesty's Government did not take it because, as the exporting countries themselves have pointed out, the resulting control would have been arbitrary and illogical in its effects between one country and another.

11. For these reasons, Her Majesty's Government have reached the conclusion that it would be impracticable to negotiate a series of country quotas for all supplying countries which would be equitable as between them, acceptable to the countries concerned and would at the same time achieve the objective of avoiding disruption of the British market. They therefore propose to institute a series of global quotas on the lines described in the Annex to this Aide Memoire for imports from all countries except those mentioned in paragraphs 12 and 13 below. Her Majesty's Government believe that such a system of global quotas will bring about a more equitable solution of the problem presented by cotton imports in present circumstances than a system of individual country quotas on the lines envisaged in the Long-Term Arrangement. They consider that their proposals are in accordance with the general objectives of the Arrangement and represent a reasonable method of achieving them. They will welcome full discussion of the proposed arrangements in the GATT Cotton Textiles Committee and they are willing that they should be subject to review in the light of any modifications or extensions of the Long-Term Arrangement after 1967.

Other restraint arrangements

12. It is proposed that imports from India and Hong Kong should be excluded from the global quota and that these countries should be invited to enter into new agreements under which they would continue to restrict their exports to the levels agreed with them in 1962. The reason for this is that both countries have very large industries geared to the British market, of which they have been for many years the largest suppliers. Their restraint agreements date from 1959 and they were among the traditional suppliers whom the President of the Board of Trade had mainly in mind when warning new suppliers not to count on being able to build up a market at the expense of countries which were already restricting their exports.

13. It is also proposed to exclude from the global quota the countries of China, the Soviet Union and East European countries (for which certain separate arrangements already exist), as well as Portugal, the Irish Republic and Japan (with which it will be necessary to discuss special arrangements) and the following countries:- Australia, Austria, Belgium, Canada, Denmark, Finland, France, German Federal Republic, Italy, Luxemburg, Netherlands, New Zealand, Norway, Sweden, Switzerland and the United States.

14. Relevant import figures together with proposed quotas are set out in Appendix A to the Annex.

Transitional arrangements

15. Negotiations already in hand with a number of countries for establishment of country quotas will be discontinued. Where imports are being admitted against any balance of pre-1 May 1964 contracts these arrangements will be continued until the end of 1965.

16. The British Government is aware of the need to ensure that trade in the early part of 1966 should not be brought to a standstill, and will shortly make proposals for interim arrangements to enable business to be carried on and orders to be placed for 1966 delivery.

ANNEX

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Outline of Proposed Arrangements

1. The following is an outline of the restraint procedures which it is proposed shall apply to all imports of cotton textiles, from India, Hong Kong and the countries in the proposed global quota after the end of 1965.

Scope of restraints

Products to be covered

2. These will be broadly those affected by existing restraint arrangements, namely cotton yarn; woven cotton cloth, both grey and finished; and household textiles and apparel made of woven cotton cloth. Precise details of proposed product coverage are set out in Appendix A.

Countries to be covered

3. The proposed procedures are intended to apply to imports from all countries other than the following:

- (i) Portugal, the Irish Republic and Japan with whom special arrangements will be discussed;
- (ii) Sino-Soviet countries with whom separate arrangements will be continued as hitherto;
- (iii) United States, Canada, Australia, New Zealand, West Germany, France, Belgium, Holland, Luxemburg, Italy, Switzerland, Norway, Sweden, Denmark, Austria and Finland whose exports will remain unrestricted as hitherto.

Period to be covered

4. The arrangements would cover a five-year period commencing on 1 January 1966.

Establishment of base period quotas

5. As indicated in the Aide Memoire, it is intended that India and Hong Kong should be limited under individual country quotas and imports from other countries should be limited by global quota. The base period quotas will be calculated on the following bases:

India and Hong Kong
Global quota countries

Basic quotas 1962-64
United Kingdom imports 1962-64.

Division into main groups

6. The quotas would be divided into five main groups as follows:-

		<u>India</u>	<u>Hong Kong</u>	<u>Global quota countries</u>	<u>Total</u>
Yarn	(m.lbs.)	11.5	6.3	8.5	26.3
Greycloth	(m.sq.yds.)	162.5	74.0	93.0	329.5
Finished cloth	(m.sq.yds.)	16.5	26.0	9.8	52.3
Household textiles	(m.sq.yds.)	13.7	16.0	6.8	36.5
Apparel	(m.sq.yds.)	2.3	69.0	9.8	81.1

7. The quotas for each main group of products would be further sub-divided into categories. For global quota countries, it is proposed that the categories listed in Appendix C should be established. These correspond in the main to categories already established under agreements with supplying countries.

8. It is proposed broadly that Hong Kong and India should continue with the existing degree of categorization, as set out in the agreements between their industries and the British industry. Where the degree of categorization for these two countries is less detailed than is proposed for the global quota countries (Appendix C), additional categories would be created in order to achieve an appropriate and reasonably uniform degree of categorization for all imports.

9. Imports for the year 1964 from the principal global quota countries and from other sources by category are set out in Appendix D. For each category the percentage which imports bear in relation to imports in the main group is given in brackets. It is proposed that these percentages would be applied to the main group totals in the penultimate column of paragraph 6 above to obtain a base level for each category.

Increases in basic quotas

10. It is proposed that for 1967 and succeeding years total imports from restricted sources shall be allowed to grow by 1 per cent compound annually. This percentage is the best available estimate of the likely increase in United Kingdom domestic consumption of cotton textiles in the period 1966-70.

Administration of quotas

11. It is proposed that, as under the existing Agreement, the quotas for India and Hong Kong shall be administered by export licences issued by the appropriate authorities in these two countries. These licences would be exchanged by the United Kingdom Import Licensing Branch for import licenses. Import licences would be issued automatically so long as the quotas or sub-quotas to which they related had not been exceeded.

12. The global quota would be administered wholly by import licensing in the United Kingdom. Import licences would be allocated among British importers on the basis of their imports from the global quota countries by main groups and by categories during 1964.

13. Such increase on the base period quotas as may be attributable to the global quota would be similarly allocated.

APPENDIX A

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Products to be Covered

1. Items which it is proposed shall be covered by the restraint arrangements are yarn, woven fabrics and articles made of woven fabrics containing 50 per cent or more by weight of cotton and falling within the following tariff headings:

- 52.01 Metallized yarn
- 52.02 Woven fabrics of metal thread or metallized yarn
- 55.05 Cotton yarn and thread not put up for retail sale
- 55.06 Cotton yarn and thread put up for retail sale
- 55.07 Cotton gauze
- 55.08 Terry towelling and similar terry fabrics
- 55.09 Other woven fabrics
- 58.04 Woven pile fabrics and chenille fabrics
- 58.10 Embroidery in the piece, in strips or in motifs
- 59.07 Textile fabrics coated with gum of a kind used for the outer covers of books; tracing cloth, buckram, prepared painting canvas etc.
- 59.08 Textile fabrics impregnated or coated with preparations of cellulose derivatives etc.
- 59.09 Textile fabrics coated or impregnated with oil etc.
- 59.11 Rubberized textile fabrics etc.
- 59.12 Textile fabrics otherwise impregnated or coated etc., painted textile fabrics being theatrical scenery, studio backcloths or the like
- 59.13 Elasticated fabrics and trimmings etc.
- 59.14 Wicks, gas-mantles etc.
- 59.15 Textile hose-piping etc.
- 59.16 Industrial belting etc.
- 59.17 Textiles used in machinery or plant
- 61.01 Men's and boys' outer garments
- 61.02 Women's, girls' and infants' outer garments
- 61.03 Men's and boys' undergarments including collars, shirt fronts and cuffs
- 61.04 Women's, girls' and infants' undergarments
- 61.05 Handkerchiefs
- 61.06 Shawls, scarves, mufflers, mantillas, veils and the like
- 61.07 Ties, bow ties and cravats
- 61.08 Collars, tuckers, fallals, cuffs, flounces, yokes and similar accessories and trimmings
- 61.09 Corsets, suspender belts, brassieres, braces etc.
- 61.10 Gloves, mitts, stockings, socks etc.
- 61.11 Made-up accessories for articles of apparel e.g. dress shields, shoulder pads, belts, etc.
- 62.01 Travelling rugs and blankets

- 62.02 Household linen, curtains and other furnishing articles
- 62.03 Sacks and bags of a kind used for the packing of goods
- 62.04 Tarpaulins, sails, awnings, sunblinds, tents etc.
- 62.05 Other made-up textile articles (inc. dress patterns)

2. The following would not be restricted:

- *(i) cotton textiles whether yarns, in the piece, or made up, which are imported into the United Kingdom for re-export therefrom, with or without processing or making up in the United Kingdom
- (ii) hand loom fabrics and made-up goods thereof
- (iii) articles manufactured from cloth of United Kingdom origin.

APPENDIX B

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Group A - Yarn

Th. lbs.

	United Kingdom Imports ⁽¹⁾			Existing Quota ⁽²⁾	Proposed Quota ⁽¹⁾
	1962	1963	1964		
A. <u>Countries with unrestricted exports</u>	8,634	6,693	6,786		
B. <u>Countries with individual country Quotas</u>					
India	7,312	9,524	11,993	11,500	11,500
Hong Kong	8,081	4,753	6,321	6,300	6,300
Sub Total	15,393	14,277	18,314		
C. <u>Countries included in global quota</u>					
Pakistan	618	713	368	600	
Malaysia	-	0	-		
Yugoslavia	-	2	-		
Spain	1,639	6,913	6,352	8,400	
Formosa	-	-	-		
Israel	784	1,184	2,149	1,663	
Macao	-	-	-		
South Korea	-	-	-		
Brazil	-	-	-		
United Arab Republic	590	620	975	Negotia- tion	
Greece	188	506	930	Negotia- tion	
Turkey	-	1	-		
Colombia	-	-	-		
Mexico	-	-	-		
Others	3	96	863		
Sub Total	3,822	10,035	11,637		8,498
D. <u>Sino-Soviet countries</u>	0	-	-	(2)	
E. <u>Countries with which special bilateral arrangements will be discussed</u>					
Portugal	1,159	2,177	1,369	Negotia- tion	
Irish Republic	2,697	2,010	2,349	2,750	
Japan	-	2	-	Nil	
Sub Total	3,856	4,189	3,718		
World Total	31,705	35,195	40,456		

Notes:

(1) Excluding imports for re-export

(2)

Imports from Sino-Soviet Bloc countries are limited by quotas, but these are expressed in value terms and because of their varied nature cannot conveniently be summarized in a single figure.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Group B - Greycloth

Thousand square yards

	United Kingdom Imports ⁽¹⁾			Existing quota ⁽²⁾	Proposed quota ⁽¹⁾
	1962	1963	1964		
A. <u>Countries with unrestricted exports</u>	18,786	22,406	28,924		
B. <u>Countries with individual country quotas</u>					
India	142,802	175,787	213,844	195,000 ⁽²⁾	162,500 ⁽³⁾
Hong Kong	89,391	71,165	62,681	80,000 ⁽⁴⁾	74,000 ⁽⁵⁾
Sub-total	232,193	246,952	276,525		
C. <u>Countries included in global quotas</u>					
Pakistan	37,974	55,568	32,255	42,400 ⁽²⁾	
Malaysia	4,599	5,762	7,446	8,200 ⁽⁶⁾	
Yugoslavia	5,474	4,683	7,271	5,500	
Spain	13,484	6,252	7,446	33,000	
Formosa	5,965	4,786	2,245	2,000	
Israel	0	14	36		
Macao	-	-	-		
South Korea	-	1,292	28,835	Negotiation	
Brazil	-	3,341	15,912	"	
United Arab Republic	610	1,615	3,927	"	
Greece	36	28	256	"	
Turkey	4,795	3,696	5,519	"	
Colombia	12	-	2,740	"	
Mexico	0	0	2,821	"	
Others	1,393	198	850		
Sub-total	74,342	87,237	117,559		93,006
D. <u>Sino-Soviet countries</u>	5,350	6,806	6,672	(7)	
E. <u>Countries with which special bi-lateral arrangements will be discussed</u>					
Portugal	14,929	26,338	19,878	Negotiation	
Irish Republic	1,608	2,077	3,265		
Japan	4,734	3,629	4,704	7,000 ⁽⁶⁾	
Sub-total	21,271	32,044	27,847		
World total	351,942	395,444	457,527		

- (1) Excluding imports for re-exports.
(2) Combined quota for greycloth, finished cloth and made-up goods, greycloth may be shipped up to full extent of the combined quota.
(3) Existing combined quota less 1965 quota for finished cloth and made-up goods.
(4) Combined quota for greycloth and finished cloth of 100 million sq.yds., of which greycloth shall not exceed 80 million sq.yds.
(5) Existing combined quota divided according to 1964 pattern of imports.
(6) Combined quota for greycloth and finished cloth. Greycloth may be shipped up to the full extent of the combined quota.
(7) Imports from Sino-Soviet countries are limited by quotas, but these are expressed in value terms and because of their varied nature cannot conveniently be summarized in a single figure.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Group C - Finished Cloth

	United Kingdom Imports ⁽¹⁾			Existing quota ⁽¹⁾	Proposed quota ⁽¹⁾
	1962	1963	1964		
A. <u>Countries with unrestricted exports</u>	84,680	79,215	74,273		
B. <u>Countries with individual country quotas</u>					
India	9,165	16,666	21,169	32,500 ⁽²⁾	16,500 ⁽³⁾
Hong Kong	28,864	27,217	22,024	30,000 ⁽⁴⁾	26,000 ⁽³⁾
Sub-total	38,029	43,883	43,193		
C. <u>Countries included in global quota</u>					
Pakistan	0	95	3,548	42,400 ⁽⁵⁾	
Malaysia	5	416	2,560	3,000	
Yugoslavia	417	487	4,277	Negotiation	
Spain	3,802	3,327	2,915	7,000	
Formosa	507	68	106	Nil	
Israel	278	323	302	-	
Macao	-	-	-	-	
South Korea	-	0	4	-	
Brazil	35	33	102	Negotiation	
United Arab Republic	952	2,598	1,870	Negotiation	
Greece	0	20	53	-	
Turkey	-	-	0	-	
Colombia	-	-	-	-	
Mexico	1	3	2	-	
Others	162	103	93	-	
Sub-total	6,160	7,473	15,831		9,821
D. <u>Sino-Soviet countries</u>	5,571	5,660	7,581	(7)	
E. <u>Countries with which special bi-lateral arrangements will be discussed</u>					
Portugal	4,608	11,260	7,687	Negotiation	
Irish Republic	3,942	3,489	3,879	-	
Japan	538	1,218	2,958	7,000 ⁽⁶⁾	
Sub-total	9,088	15,967	14,524		
Wor. total	143,528	152,198	155,402		

- (1) Excluding imports for re-exports.
(2) Combined quota for finished cloth and made-ups.
(3) Existing combined quota divided according to 1964 pattern of imports.
(4) Combined quota for greycloth and finished cloth of 100 million sq.yds. of which finished cloth shall not exceed 30 million sq.yds.
(5) Combined quota for greycloth finished cloth and made-up goods.
(6) Combined quota for greycloth and finished cloth.
(7) Imports from Sino-Soviet countries are limited by quotas, but these are expressed in value terms and because of their varied nature cannot conveniently be summarized in a simple figure.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Group D - Household Textiles

Thousand square yards equivalent

	United Kingdom Imports ⁽¹⁾			Existing quota ⁽⁵⁾	Proposed quota ⁽¹⁾
	1962	1963	1964		
A. <u>Countries with unrestricted exports</u>	13,569	15,416	15,337		
B. <u>Countries with individual country quotas</u>					
India	6,338 ⁽⁴⁾	10,136 ⁽⁴⁾	17,637 ⁽⁴⁾	32,500 ⁽²⁾	13,700 ⁽³⁾
Hong Kong	21,141	15,891	12,009	85,000 ⁽⁵⁾	16,000 ⁽³⁾
Sub-total	27,479	26,027	29,646		
C. <u>Countries included in global quota</u>					
Pakistan	36	212	335	42,400 ⁽⁶⁾	
Malaysia	5	182	6,389	7,600 ⁽⁵⁾	
Yugoslavia	1	0	8		
Spain	4,068	3,932	3,227		
Formosa	-	-	-		
Israel	17	25	32		
Macao	-	12	75	Negotiation	
South Korea	-	-	35		
Brazil	0	1	2		
United Arab Republic	0	10	2		
Greece	1	42	5		
Turkey	0	0	1		
Colombia	0	-	0		
Mexico	0	1	1		
Others	547	484	739		
Sub-total	4,675	4,901	10,851		6,809
D. <u>Sino-Soviet countries</u>	2,946	3,106	3,750	(8)	
E. <u>Countries with which special bilateral arrangements will be discussed</u>					
Portugal	820	6,026	3,583	Negotiation	
Irish Republic	905	694	952		
Japan	15	38	398	(7)	
Sub-total	1,740	6,758	4,535		
World total	50,409 ⁽⁹⁾	56,208 ⁽⁹⁾	64,517 ⁽⁹⁾		

- (1) Excluding imports for re-exports.
(2) Combined quota for finished cloth and made-up goods.
(3) Existing combined quota divided according to 1964 pattern of imports.
(4) Based on Hong Kong Export Statistics of actual yardage.
(5) Combined quota for all made-up goods.
(6) Combined quota for greycloth, finished cloth and made-up goods.
(7) Combined value quota for all made-up goods.
(8) Imports from Sino-Soviet countries are limited by quotas, but these are expressed in value terms and because of their varied nature cannot conveniently be summarized in a single figure.
(9) Adjusted to take account of note (4) above.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Group E - Apparel

Thousand square yards equivalent

	United Kingdom Imports ⁽¹⁾			Existing quota ⁽¹⁾	Proposed quota ⁽¹⁾
	1962	1963	1964		
A. <u>Countries with unrestricted exports</u>	22,609	11,452	15,868		
B. <u>Countries with individual country quotas</u>					
India	325	1,394	3,017	2,500 ⁽²⁾	2,300 ⁽³⁾
Hong Kong	63,425	66,900	62,630	85,000 ⁽⁵⁾	69,000 ⁽³⁾
Sub-total	63,750	68,294	65,647		
C. <u>Countries included in global quota</u>					
Pakistan	5	274	648	42,400 ⁽⁶⁾	
Malaysia	15	1,109	7,454	7,600 ⁽⁵⁾	
Yugoslavia	92	198	349		
Spain	2,634	1,120	808		
Formosa	-	-	-		
Israel	346	186	181		
Macao	47	3,292	5,051	Negotiation	
South Korea	-	-	355		
Brazil	-	-	0		
United Arab Republic	33	2	-		
Greece	8	6	4		
Turkey	1	1	0		
Colombia	0	-	-		
Mexico	1	0	2		
Others	2,125	741	2,446		
Sub-total	5,307	6,929	17,298		9,845
D. <u>Sino-Soviet countries</u>	4,892	5,595	4,786	(9)	
E. <u>Countries with which special bilateral arrangements will be discussed</u>					
Portugal	209	1,979	1,790	Negotiation	
Irish Republic	8,361	9,109	10,204	(8)	
Japan	255	553	1,459	(7)	
Sub-total	8,825	11,641	13,453		
World total	105,383 ⁽¹⁰⁾	103,911 ⁽¹⁰⁾	117,052 ⁽¹⁰⁾		

⁽¹⁾ Excluding imports for re-exports.
⁽²⁾ Combined quota for finished cloth and made-up goods.
⁽³⁾ Existing combined quota divided according to 1964 pattern of imports.
⁽⁴⁾ Based on Hong Kong Export Statistics of actual yardage.
⁽⁵⁾ Combined quota for all made-up goods.
⁽⁶⁾ Combined quota for greycloth, finished cloth and made-up goods.
⁽⁷⁾ Combined value quota for all made-up goods.
⁽⁸⁾ Value quota of £600,000 for garments made of Japanese, Chinese and Eastern Area cloth.
⁽⁹⁾ Imports from Sino-Soviet countries are limited by quotas, but these are expressed in value terms and because of their varied nature cannot conveniently be summarized in a single figure.
⁽¹⁰⁾ Adjusted to take account of note (4) above.

APPENDIX C

UNITED KINGDOM COTTON TEXTILE IMPORTS AFTER 1965

Proposed List of Categories

<u>Main Groups and Category Nos.</u>	<u>Category Headings</u>	<u>Classification</u>
<u>A. Yarn</u>		
(1)	Grey folded	Sensitive
(2)	Finished, single or folded	Sensitive
<hr/>		
<u>B. Greycloth</u>		
(3)	Drills, jeans and gaberdines	Super-sensitive
(4)	Poplins	Super-sensitive
(5)	Other fabrics not exceeding 46" in width	Sensitive
(6)	Other fabrics exceeding 46" in width but not exceeding 60"	Sensitive
(7)	Other fabrics exceeding 60" in width	Sensitive
<hr/>		
<u>C. Finished cloth</u>		
(8)	Terry towelling and similar terry fabrics	Sensitive
(9)	Corduroys	Sensitive
(10)	Poplins	Super-sensitive
(11)	Yarn dyed piecegoods n.e.s.	Sensitive
(12)	Bleached piecegoods	Sensitive
(13)	Piece dyed piecegoods n.e.s.	Sensitive
(14)	Printed piecegoods n.e.s.	Sensitive
<hr/>		
<u>D. Household textiles</u>		
(15)	Bed linen	Sensitive
(16)	Towels	Sensitive
<hr/>		

<u>Main Groups and Category Nos.</u>	<u>Category Headings</u>	<u>Classification</u>
<u>E. Apparel</u>		
(17)	Men's and boys' shirts	Super-sensitive
(18)	Women's and girls' blouses and dresses	Sensitive
(19)	Men's, women's and children's nightwear and underwear	Sensitive
(20)	Raincoats and other proofed garments	Super-sensitive
(21)	Handkerchiefs	Sensitive
(22)	Men's and boys' coats, waistcoats and trousers	Super-sensitive
(23)	Women's and girls' coats, costumes, skirts and slacks	Sensitive
(24)	Corsets, suspender belts and brassieres	Sensitive

APPENDIX D

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Retained Imports During 1964 by Categories

Category No.	YARN				GREY CLOTH		
	1	2	3	4	5	6	7
	th.lbs.	th.lbs.	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.
A. Countries with unrestricted exports	1,511	2,729	164	325	26,511	1,015	700
B. Countries with individual country quotas							
India	7,362	-	14,967	794	83,873	100,492	11,734
Hong Kong	5,536	70	31,482	5,696	10,466	4,803	10,229
Sub-total	12,898	70	46,449	6,490	94,339	105,295	21,963
C. Countries included in global quota							
Pakistan	133	-	714	-	26,076	4,451	1,015
Malaysia	-	-	1,981	-	2,569	47	2,851
Yugoslavia	-	-	218	84	4,912	264	1,793
Spain	2,767	274	84	5	1,459	86	5,812
Formosa	-	-	-	-	2,245	-	-
Israel	622	103	-	-	36	-	-
Macao	-	-	-	-	-	-	-
South Korea	-	-	-	568	27,042	1,225	-
Brazil	-	-	-	-	15,771	-	141
United Arab Republic	431	10	70	600	2,117	185	955
Greece	209	8	19	-	237	-	-
Turkey	-	-	-	-	4,858	-	661
Colombia	-	-	472	-	907	632	730
Mexico	-	-	-	-	2,520	-	301
Others	384	-	-	-	850	-	-
Sub-total	4,546 (39.06%)	402 (3.45%)	3,558 (3.03%)	1,257 (1.07%)	91,599 (77.92%)	6,890 (5.86%)	14,259 (12.13%)
D. Sino-Soviet countries	-	-	-	-	6,351	163	12
E. Countries with which special bilateral arrangements will be discussed							
Portugal	100	591	862	3,498	11,573	305	3,640
Irish Republic	506	407	126	48	2,082	299	705
Japan	-	-	1	1,076	1,288	2,218	116
Sub-total	606	998	989	4,622	14,943	2,822	4,461
World total	19,561	4,199	51,160	12,694	233,743	116,185	41,395

Notes: (1) For descriptions of categories see Appendix C.

(2) Figures in brackets indicate the percentages which imports in the particular category from global quota countries form of total imports in the relevant main group for the global quota countries.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

Retained Imports During 1964 by Categories

Category No.	FINISHED CLOTH							HOUSEHOLD TEXTILES	
	8 th.sq.yds.	9 th.sq.yds.	10 th.sq.yds.	11 th.sq.yds.	12 th.sq.yds.	13 th.sq.yds.	14 th.sq.yds.	15 th.sq.yds.	16 th.sq.yds.
A. <u>Countries with unrestricted exports</u>	198	807	3,289	11,628	5,625	16,613	17,485	1,376	2,228
B. <u>Countries with individual country quotas</u>									
India	2,263	-	67	11,379	2,115	1,899	2,510	9,660	7,466
Hong Kong	256	127	11,550	5,879	753	420	2,848	2,539	7,284
Sub-total	2,519	127	11,617	17,258	2,868	2,319	5,358	12,199	14,750
C. <u>Countries included in global quota</u>									
Pakistan	10	-	-	142	3,293	36	68	99	214
Malaysia	0	-	94	2,308	89	11	41	3,401	1,595
Yugoslavia	-	-	-	-	277	-	-	5	-
Spain	0	1,658	24	490	102	223	340	2,466	628
Formosa	-	-	-	-	-	-	-	-	-
Israel	-	-	9	161	45	1	86	0	32
Macac	-	-	-	-	-	-	-	-	72
South Korea	-	-	-	-	-	-	-	-	35
Brazil	-	-	-	3	98	-	1	-	-
United Arab Republic	-	-	1,294	59	75	365	-	-	2
Greece	-	-	-	20	-	32	-	0	-
Turkey	0	-	-	-	-	-	-	-	0
Colombia	-	-	-	-	-	-	-	-	-
Mexico	-	-	-	1	-	1	-	1	-
Others	-	-	5	8	25	10	20	12	61
Sub-total	10 (0.06%)	1,658 (10.47%)	1,426 (9.01%)	3,192 (20.16%)	8,004 (50.55%)	679 (4.29%)	556 (3.51%)	5,984 (55.15%)	2,639 (24.32%)
D. <u>Sino-Soviet countries</u>	10	-	108	791	722	1,068	4,539	1,385	1,199
E. <u>Countries with which special bilateral arrangements will be discussed</u>									
Portugal	32	-	2,609	2,120	909	458	1,485	2,560	720
Irish Republic	2	10	91	258	259	583	2,030	576	285
Japan	2	628	1,051	78	201	389	499	5	276
Sub-total	36	638	3,751	2,456	1,369	1,430	4,014	3,141	1,281
World total	2,773	3,230	20,191	35,325	18,588	22,109	31,952	24,085	22,097

Notes: (1) For descriptions of categories see Appendix C.

(2) Figures in brackets indicate the percentages which imports in the particular category from global quota countries form of total imports in the relevant main group from the global quota countries.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965
Retained Imports During 1964 by Categories

Category No.	APPAREL							
	17	18	19	20	21	22	23	24
	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.	th.sq.yds.
A. <u>Countries with unrestricted exports</u>	548	643	299	2,533	390	5,349	125	1,726
B. <u>Countries with individual country quotas</u>								
India	418	0	863	2	1,114	59	0	-
Hong Kong	21,528	4,381	2,901	6,881	41	14,573	3,537	1,985
Sub-total	21,946	4,381	3,764	6,883	1,155	14,632	3,537	1,985
C. <u>Countries included in global quota</u>								
Pakistan	427	0	69	-	-	39	-	-
Malaysia	1,020	0	3,234	0	-	2,876	106	-
Yugoslavia	159	-	81	8	-	63	0	-
Spain	15	97	361	0	40	9	2	-
Formosa	-	-	-	-	-	-	-	-
Israel	-	8	30	84	-	-	1	-
Macao	2,771	14	1,731	-	-	352	26	18
South Korea	110	-	190	-	-	52	-	-
Brazil	-	-	-	-	-	-	0	-
United Arab Republic	-	-	-	-	-	-	0	-
Greece	1	1	0	0	-	-	0	-
Turkey	-	-	-	-	-	-	0	-
Colombia	-	-	-	-	-	-	-	-
Mexico	1	1	0	0	-	0	0	-
Others	115	13	99	1	248	1,178	6	516
Sub-total	4,619 (26.70%)	134 (0.77%)	5,345 (33.79%)	93 (0.54%)	288 (1.66%)	4,569 (26.41%)	141 (0.82%)	534 (3.09%)
D. <u>Sino-Soviet countries</u>	1,885	85	420	49	1,165	388	0	5
E. <u>Countries with which special bilateral arrangements will be discussed</u>								
Portugal	1,008	62	379	26	-	-	0	-
Irish Republic	2,337	1,794	150	593	119	1,878	643	0
Japan	220	37	11	56	1,011	53	0	-
Sub-total	3,565	1,893	540	675	1,130	1,936	643	0
World total	32,563	7,136	10,866	10,233	4,128	26,874	4,446	4,250

Notes: (1) For descriptions of categories see Appendix C.

(2) Figures in brackets indicate the percentages which imports in the particular category from global quota countries form of total imports in the relevant main group for the global quota countries.

UNITED KINGDOM IMPORTS OF COTTON TEXTILES AFTER 1965

1. It is proposed that the following interim arrangements should apply to imports from global quota countries from 1 January 1966:-

- (a) With effect from 1 January 1966, import licences would be required for all imports of cotton textile products (as defined in Appendix A to the Aide Memoire, but excluding sacks and bags which will not now be subject to control) from global quota countries.
- (b) Interim quotas would be established equal in amount to one half of the total annual quotas proposed for the global quota countries in paragraph 6 of the Annex to the Aide Memoire.
- (c) In accordance with paragraph 9 of the Annex to the Aide Memoire, these quotas would in turn be divided into twenty-nine sub-quotas as listed in Notice to Importers No. 1115 (i.e. the twenty-four categories in Appendix C of the Aide Memoire, plus five residual categories).
- (d) United Kingdom importers would be invited to apply for import licences and to specify the categories for which licences were required.
- (e) Import licences would be allocated among importers in the proportion which their own imports in 1964 bore to total imports in 1964, as calculated from returns made by importers under Notice to Importers No. 1115 (the main provisions which were reproduced in the Board of Trade Journal of 22 October, page 949).
- (f) Import licences would be valid for imports from any of the global quota countries without restriction at any time during the twelve months ending 31 December 1966.

2. Imports from India and Hong Kong would be similarly admitted up to one half of the amount of the quotas proposed for these countries in paragraph 6 of the Annex to the Aide Memoire, and would be appropriately categorized. For imports from Japan, China, the Soviet Union and the Eastern European countries the existing quota and licensing arrangements will be continued.