

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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LONG-TERM ARRANGEMENT REGARDING TRADE IN
COTTON TEXTILES

Restraint Request made by Canada under Article 3

The following communication has been received by the Director-General from the Canadian Mission.

I have the honour to enclose a copy of a note to the Government of Colombia dated 30 November concerning a request by the Government of Canada, acting in accordance with Article 3 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles, that the Government of Colombia restrain exports of all types of cotton yarn to Canada.

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The Department of External Affairs presents its compliments to the Embassy of Colombia and has the honour to advise that the Canadian Government, acting in accordance with Article 3 of the GATT Long-Term Arrangement Regarding International Trade in Cotton Textiles, requests the Government of Colombia to restrain exports of all types of cotton yarn to Canada. In support of their request, the Canadian authorities wish to draw to the attention of the Colombian authorities the following facts: there has been a very large increase in imports of low-cost cotton yarn into Canada over the past five years. In 1962, when the threat of disruption became particularly grave, as a result of a sharp and substantial increase in imports from Portugal and Israel, Canada requested that these two countries restrain their exports of cotton yarn to Canada, pursuant to the Long-Term Arrangement. Both countries are still restraining exports of this product to Canada. Last year, for the same reasons, Greece also agreed to restrain exports of this product to Canada. Since last year there has been a sharp and substantial increase in imports of cotton yarn from Colombia. The landed, duty-paid prices of the Colombian yarns being offered in the Canadian market are substantially below the prices of comparable Canadian yarns. Moreover, Colombia is a new supplier of cotton yarn to Canada and Colombia exports to the Canadian market have been accelerating only since the application of restraints on exports by Greece, Portugal and Israel. Thus it is evident that Colombia has benefited from the restraints agreed to by these other countries and that the Canadian authorities must, therefore, now request an export restraint. The Canadian authorities would, of course, be prepared to consult with representatives of Colombia concerning this request.