

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COTTON TEXTILES COMMITTEE

Statement by the Representative of the United Kingdom

Addendum

I have listened with the deepest attention to the very wide diversity of speeches, in which delegates have expressed with great care and moderation their views about the operation and nature of the Long-Term Arrangement. Indeed, so great has been the diversity that there were moments when an objective observer could reasonably have wondered whether all that was being said did indeed relate to the same document. On one hand there were those countries who considered that the Arrangement had almost wholly achieved the purposes for which it was designed, by providing stability alike for the industries of exporting and importing countries. On the other hand, there were those that appeared to verge on regarding the Long-Term Arrangement as something close to an elaborate confidence trick.

The existence of this diversity is not however surprising. The Long-Term Arrangement is not, and indeed nothing could be, a panacea for all the problems of world trade in cotton textiles. It is not even a heroic document. But it is based on the practical necessities of a very difficult situation. In the view of the United Kingdom the Long-Term Arrangement remains a framework in which it is possible for importing and exporting countries to reduce to manageable dimensions differences of view and policy which would otherwise be irreconcilable. Nevertheless, the reconciliation of these difficulties within this framework can only be achieved by a recognition that the Long-Term Arrangement, in spite of its appearance in print, is not really a precise formulation of legal obligations. It is rather a guide to a way in which particular problems should be approached.

This is certainly the basis on which the United Kingdom has approached its own obligations under the Arrangement, and it is the belief of my Government that the Arrangement provides, and can continue to provide, the opportunity for the progressive achievement of the objectives for which it was negotiated. Certainly, we agree with the distinguished delegate of Sweden who pointed out that the alternatives to the existence of the machinery of the kind provided by the Long-Term Arrangement would be a world of rapidly increasing and infectious restrictions in the whole field of cotton textiles. The United Kingdom also agrees with the views expressed by the delegates of both Sweden and Norway that liberal standards of administration of the Arrangement by the large importing markets are essential if we are to avoid a situation in which those countries who have so far adopted such standards are not to be driven off them.

The United Kingdom has, in fact, considerable sympathy with the views expressed by a number of developing countries, who find that the progress which has so far been made towards the stated objectives of the Long-Term Arrangement has not been rapid enough. We also find difficulty in understanding the many apparently differing levels at which importing countries are prepared to state that the disruption of their industry will occur.

My own Government has no doubt that importing countries in general will give the most serious consideration to the statements which have been made, notably by the delegates for India and Pakistan. Indeed, the delegates for some of the major importing countries have already been at pains to provide statistical evidence of an increasing trend towards liberalization.

I do not propose to enter into a statistical assessment of the performance of the United Kingdom under the Long-Term Arrangement. I do not think it is necessary to do so - and in this I am reinforced by some words of the Indian and Jamaican delegates, for which we would like to acknowledge our gratitude.

There are only two figures I would like to put before the Committee. With one of them I fear all delegations will be only too familiar. It is that we have interpreted our obligations under the Long-Term Arrangement in such a way that over 30 per cent of the cotton textile consumption of the United Kingdom has for some years been met from imports of developing countries. I do not feel that I need to stand in darkness when I say this.

The second figure is the more surprising one, and I will comment on it more fully when I come to deal with the United Kingdom proposals which are already before the Committee. The figure is this. Under our proposals, which are in turn related to past statistics, imports from what I might term new sources, amount to about 6 per cent of United Kingdom cotton textile consumption. By new sources, I mean sources which exclude our three traditional Commonwealth suppliers, the Eastern European countries with whom we have bilateral agreements, and Japan. I cannot refrain from observing that this figure of 6 per cent - or something of that order - is regarded by some importing countries as covering adequately a very much wider field of imports.

I have already said that I hope we will have an opportunity, as soon as you think it appropriate, of dealing with the broad nature of our new proposals. I should hope, at the same time, to reply to a number of comments on them which have already been made by distinguished delegates, and perhaps to have the opportunity of dealing with the views of those delegates who have not so far expressed them.

There is one particular point, however, which was raised by the delegate of Israel which I do feel bound to refer to now. That is one of a number of comments which arise perhaps from our own lack of charity in presenting our proposals, because they appear to be based on a misunderstanding of our intentions. The delegate for Israel felt that we were trying to impose unilaterally a system of control of imports for a period much longer than the present duration of the Long-Term Arrangement. He added that he sought to have an urgent meeting of the Committee to consider these proposals before they were implemented on 1 January.

There are two points I would like to make clear here. One is that we have put forward our proposals for discussion. We are not imposing them unilaterally - after all we are participants in the Long-Term Arrangement. We believe that we can satisfy delegations that they are reasonable and sensible proposals, but that is not a point to be discussed at this moment.

The second is that we are not implementing the proposals willy-nilly from 1 January. In order to keep trade moving we have put forward an interim scheme, similar in nature to our main proposals, to cover the period during which discussions with exporting countries will continue. We have made it clear that we shall adjust the operation of this interim scheme retrospectively in any way that may be necessary when the outcome of our discussions with exporting, and indeed all other participating, countries are complete. I hope that that relieves some of the apprehension of the delegate of Israel.

I should like to conclude by summarizing the United Kingdom's view of the operation and future of the Long-Term Arrangement. It is broadly this. We believe that the Arrangement in its present form has shown that progress can be made towards the achievement of its objectives, and is being made. We also believe that the Arrangement can be, and ought to be, and we earnestly hope will be, so operated by the importing countries as to increase the rate of their progress in the future. If this should not prove to be the case, we should ourselves be more ready to share the doubts expressed by the developing countries. It is our hope and our belief that such a situation will not arise, because we believe that you cannot legislate to make men good or virtuous. It is the spirit in which obligations are carried out, rather than the nature of the obligations, which is the test of the value of this particular kind of international co-operation.

We doubt very much whether an attempt to renegotiate the Long-Term Arrangement would produce a situation in which it would be so drafted as to cover the needs of every participant. It is not only the difficulty of reconciling the needs of the importing and exporting countries that is in question. It is, as other delegates have pointed out, the difficulty of reconciling a considerable divergence between the needs of different countries within both groups. The feeling of the United Kingdom therefore is, that if we cannot make the present Arrangement work satisfactorily, how much less can we believe that there is any real prospect of reaching agreement on the form of a new Arrangement.

