

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COTTON TEXTILES COMMITTEE

Statement by the Representative of Mexico at the Meeting of 29 September 1966

In commenting point 2 of our Agenda the Mexican delegation would like to mention a few of the aspects which it feels must be taken into account in contemplating the eventual extension of the Long-Term Cotton Textiles Agreement. We think these aspects are important if we want to progress along the road towards conditions which are optimum for the cotton textiles producers and consumers of the world.

As in the case of other less-developed countries which signed the Long-Term Arrangement, Mexico had expected a regular and systematic implementation of the Agreement as it relates to the progressive relaxation of the restrictions on imports of cotton products in compliance with the general principles of the Agreement. We had also expected a more effective respect to the standstill provisions directed to importing countries as regards their import restrictions.

As experience in the last four years as witnessed, we are sorry to observe how frequently these two keystones of the Long-Term Arrangement have been set aside to give way to measures which, in many cases, as other delegations have stated here, have had a protectionist nature and therefore have not fostered the aims of an international market where growing opportunities for the developing countries in the Long-Term Arrangement would be provided on equitable bases.

In the first and foremost place, Sir, we believe that, having in mind their essentially provisional nature, cotton textile import restrictions, which may be justifiable from the Long-Term Arrangement point of view, must be administered in a manner more in compliance with paragraph 4 of Article 2. In restricting imports either through action under Article 3 or through bilateral agreements, industrialized countries must keep in mind the overruling aims set forth in Article 1 of the Long-Term Arrangement as regards the adjustments which the changing composition and patterns of world trade make necessary.

One need not repeat here that higher efficiency through new technology gives textile production in industrialized countries an advantage which almost always renders additional protection through import restrictions contrary to the admitted principles governing trade and development to be found not only in the Final Report of the UNCTAD but also in Part IV of the GATT.

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We would like to see a clearer enunciation of the standstill rule and the principle of restriction elimination in relation to the needs of the developing countries in case the Long-Term Arrangement were to be extended.

Besides the need for a clearer expression of the principle of the status quo, we feel that the present criteria for defining market disruption, a concept whose difficult application is compounded by the inclusion of the additional element of "threat of market disruption", leaves too great a margin for interpretation and that in this sense the Long-Term Arrangement has a clear rôle to play in setting forth the criteria which are to be employed in connexion with the impositions of restrictions. The vaguer the outlines of the definition of market disruption become, the easier it is for the Long-Term Arrangement to find itself endorsing restrictions which respond correspondingly less to the objectives of Articles 1 and 2 of our Agreement.

In applying the Long-Term Arrangement to bilateral agreements between a developed and a developing country one encounters difficulty in finding an equitable relationship between developed and developing suppliers to the same developed market. We believe that this is another area for clarification which the Cotton Textiles Agreement should focus in the light of the needs which the developing countries have of exporting a higher proportion of manufactured articles than at the moment.

During its first term the Long-Term Arrangement has given an indication, perhaps more through its insufficiencies than through its successes, of what could be achieved if importing countries were more committed to the aims set forward in its first two articles. We feel, then, that these objectives must be strengthened in the light of the final Act of UNCTAD and of Part IV of the GATT.

In addition, as I have said before, a clearer orientation must be given by any future Long-Term Arrangement on such questions as market disruption, standstill regarding restrictions, programmes for their complete elimination and the equitable administration of such temporary restrictions while in force as regards the specific requirements of less-developed suppliers vis-à-vis the industrialized producers of identical items.

We feel that the first period of the Long-Term Arrangement's life has chartered out an important task for this Committee which convenes the parties to the Agreement and which therefore should be able to have a more effective rôle in assisting all parties to find the best methods for international co-operation in this field by affording clear guidance, through its decisions, for constructive action by all the signatories of the Long-Term Arrangement.