

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)
Negotiating Group on Textiles and Clothing

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STATEMENT BY THE UNITED STATES DELEGATION
AT THE MEETING OF THE NEGOTIATING GROUP ON
TEXTILES AND CLOTHING, 21 SEPTEMBER 1989

General Introduction: This group has before us a number of papers which, when taken together, provide a broad framework for our discussions and negotiations. We have a number of questions and comments with respect to various aspects of these papers which we will be making in due course. Before raising these specific points, however, the United States Delegation would like to make a contribution to the work of this body today by reaffirming our objectives in these negotiations, by reemphasizing some of the points which we believe are essential to address in the course of our discussions, and by suggesting some issues which should be given priority attention. We would expect to supplement the points made in this statement with additional questions, comments and/or contributions at this or subsequent meetings of this group.

First, let me reaffirm that the goal of the United States is to help bring about through these negotiations the eventual integration of textiles and clothing into GATT on the basis of strengthened GATT rules and disciplines. We are fully committed to that objective, and we intend to take a very active role in negotiations to that end.

It will come as no surprise, I am sure however, that we also place great importance on insuring that any process of integration agreed upon will address all trade distorting measures not now integrated into GATT and will be based upon real improvements in those GATT rules and disciplines which impact trade in this particular sector. Thus, we believe that we should concentrate our attention at this meeting and such subsequent meetings as necessary on developing an agreed way of addressing these two points, as well as examining various modalities for the integration process, itself.

Scope of the Integration Process: The issue is how to develop modalities that would insure that all trade distorting measures would be modified as necessary to permit their integration into GATT. While measures taken pursuant to the MFA clearly constitute the largest group of measures not now integrated into GATT, they are by no means the only ones. As we see it, measures which need to be addressed in this context fall in the following six categories:

1. Measures taken under a formal multilaterally agreed derogation from (or alternative to) normal GATT procedures. (MFA measures and MFA-type VRA's with non-MFA members which are notified to the Textiles Surveillance Body (TSB) would fall in this category.)
2. Measures undertaken outside normal GATT procedures by, or sanctioned by, governments participating in the Uruguay Round negotiations.
3. Measures taken in the form of safeguard actions or in order to protect infant industries or for balance of payments reasons, but not formally notified, justified, or approved pursuant to normal GATT procedures.
4. Measures maintained by members of this Uruguay Round Negotiating Group which are not now members of GATT.
5. Measures such as unbound tariffs which, while not necessarily inconsistent with GATT, can be said not to be integrated into GATT, i.e., measures which while not inconsistent with GATT provisions, per se, are not subject to GATT disciplines.
6. Non-MFN preferential measures not notified, justified, or approved under appropriate GATT provisions.

We are prepared to discuss these categories and the types of measures that fall under them in greater detail at a later stage, as well, of course, as other possible formulations. In the meantime, however, we would propose that the Group simply agree that any measures falling under one of the six categories cited above (or any subsequent formulation that the group might agree upon) would be made subject to the terms of modalities for integration. If in the course of our negotiations it becomes necessary to compile an inventory of such measures, I am sure we can find a way to do so.

Integration on the Basis of Strengthened GATT Rules and Disciplines: The issue is how to insure that any modalities agreed upon would be based on GATT rules and disciplines that had been strengthened sufficiently to make integration feasible. We believe that a parallel approach along lines suggested in the recent communications by the EC (MTN.GNG/NG4/W24) and Switzerland (MTN.GNG/NG4/W24) will be essential, and we are prepared to work closely with other members of this group to develop such a process.

Modalities for Eventual Integration: The issue is how to devise an arrangement that will insure an orderly transition from measures being applied following the end of the Uruguay Round to those which will be applicable when this sector is fully integrated into GATT.

Several of the papers which have been submitted to this group, as well as most of the interventions from delegations at previous meetings, appear to favor (or at least assume) that any new transitional safeguard arrangement would, insofar as it dealt with restrictions currently maintained under the MFA, be an MFA-type regime.

As has also been noted, however, there are other approaches which could be adopted such as conversion of existing restraints to a system of global quotas, tariff rate quotas or equivalent tariffs. It has also been suggested that it might be possible for different countries to use different methods according to a multilaterally agreed process and timetable. We believe that alternative formulations deserve serious debate in this group both as a necessary part of our negotiations here but also as a means of helping us (and presumably other governments as well) assess the pros and cons of various approaches.

To Sum Up: Mr. Chairman, the papers we have before us address a broad range of both specific elements and conceptual formulations. We will wish to seek clarification on many of these points in the course of this and future meetings, but we believe that the basic conceptual problems, such as the three I have outlined above, should be given priority in our discussions. We hope that we can organize our work along those lines.